THE FINANCIAL POST

The Canadian Newspaper for Investors

VOL. XIII. SINGLE COPIES, 10 CENTS — PUBLICATION OFFICE: TORONTO, JUNE 7, 1919 — ANNUAL SUBSCRIPTION $3.00. No. 23

NO ENTHUSIASM OVER THE BUDGET SHOWN AT OTTAWA

Neither Westerners Nor Manufacturers in House Satisfied

EXPECT RESIGNATIONS

Tariff Changes Will Mean a Loss in Revenue of Nearly $25,000,000 to the Country

Special to THE FINANCIAL POST

OTTAWA.—What is always looked to as the culminating event of the session, the budget speech, was delivered Thursday, and like all budgets seems to have given pretty general dissatisfaction.

Perhaps the two extremes may be said to be represented by Mr. Cockshutt of Brantford and Mr. Maharg of Moose Jaw. Both are profoundly dissatisfied. Mr. Maharg's attitude is that unless something substantial to meet Western demands was to be done it would have been better to have left the tariff untouched altogether. Westerners of the Grain Growers' school agree that what has been done will not begin to satisfy the West. Mr. Cockshutt on the other hand thinks they have gone too far, although plows are affected to the extent of only about two and one-half per cent. He claims that the increased income tax will hit the manufacturers very hard.

Expect Crerar's Resignation

Generally speaking, however, the manufacturers seem to have got off easier than they expected, so far as the tariff goes, but the fight for reductions is not allayed, as will be seen when the vote on the budget is taken. The first evidence of the dissatisfaction is the resignation of Crerar, which is expected to be announced to-day, and over which Borden is said to be greatly incensed. While there will be no wholesale desertion of the Government strength over the tariff, it is certain that a considerable number of Western members will move to the cross benches as a result of it. After the House closed last night one of the most prominent of the Western leaders made up a list with me giving the probable personnel of the exodus to the cross benches. From Manitoba, Campbell, Cruise, Crerar, Henders, certainly, and probably Davis and Andrews. From Saskatchewan, Maharg, Reid, Knox, Thomson and Macnutt, and probably Wright, Meyers and Johnson. From Alberta, Clark, Buchanan and Shaw. This gives a probable total of about fifteen. They are not, it must be understood, anxious to defeat Union Government, but feel that the small reductions made with nothing further promised except somewhat indefinite tariff investigation is not what they were led to expect.

Nova Scotians Unhappy

There is also dissatisfaction from another quarter. Both Liberals and Conservatives from Nova Scotia resent the reduction on bituminous coal. The scarcity of shipping has had the effect of shutting the Nova Scotia coal out of the upper provinces' markets, and allowing the Pennsylvania coal to get a strong foothold. The removal of the war tax will make it still harder to get that market back, and it looks to them as though Nova Scotia were being used as a pawn to conciliate the railroads for the reduction in Western freights, which in turn was done to conciliate the implement men for the tariff reduction effected to conciliate the farmers. Nova Scotia wants to be conciliated

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C.P.R.'S GREAT SERVICE

New Transcontinental Train Costs $6,000,000

MONTREAL.—The Winnipeg strike has apparently had little effect on transcontinental travel across Canada, for the new Canadian Pacific train, "Trans-Canada Limited," pulled out of Windsor station, Sunday, completely full on its first 3,000-mile run to Vancouver. The equipment of this de luxe train has an estimated value of $6,000,000, requiring for the daily run eastbound and westbound 59 sleeping cars, 15 dining cars, 12 observation cars, 5 compartment cars, 12 baggage cars and 24 locomotives.

TARIFF VIEWS OF BUSINESS AND FINANCIAL MEN

Unfair to Textile and Clothing Trade—Effect on Cement

By Resident Representative.

MONTREAL—Business men generally appear to approve of the budget changes and there was no weakness in textiles, boots and shoes, milling or cement stocks. Boot and shoe men expected the surtax to be taken off this year. Cotton mills hold that the change is unfair to them in removing the 5 per cent. from British entries, their keenest competitors, and leaving unchanged special tax on raw cotton coming from States to Canadian mills of 7½ per cent. Clothing manufacturers are in similar position. Surtax of 7½ per cent. against United States clothing is removed, increasing competition, while Canadian mills still pay a surtax of 7½ per cent. on materials they bring in. On British imports, however, they gain by removal of the 5 per cent. war tax.

Millers told THE FINANCIAL POST that free flour would not affect them this year, as the clause re wheat and flour would not come into effect until all Government control is removed in States and in Canada. With wheat prices guaranteed in States Government, there would not admit Canadian wheat anyway, nor flour either, thus U. S. wheat and flour could not enter Canada.

F. P. Jones, general manager Canada Cement, said the cut in duty of 7½ cents and 2 cents per cwt. would not affect the industry one bit, although he objected on principle to a reduction in case of company that was proving its efficiency.

HYDRO'S HIGH CHARGES

Private Estimates One Half Lower at Parry Sound

Press despatches from Parry Sound referring to the endorsation of a by-law to borrow $150,000 for an electic power plant, etc, contain the interesting and significant observation that the plans prepared by Mitchell Brothers, engineers of Toronto, are fully one-half lower than estimates furnished by Hydro engineers for similar work and equal power.

GAGE REORGANIZATION

Harry Lane Succeeds to Office Held by Late W. P. Gundy

Reorganization made necessary by the untimely death of W. P. Gundy, president of the company, has just been completed in the W. J. Gage Co. of Toronto. Harry Love becomes president and H. F. E. Kent, vice-president. Sir Wm. Gage continues as chairman of the board of directors.

As yet the necessary reorganization in the Kinleith Paper Co., of which Mr. Gundy was also president, has not been effected.

WESTERN WHEAT CROP ESTIMATE 300,000,000 BUS.

Early Forecast of Prairie Yield is Most Encouraging

ONTARIO OUTLOOK

Coarse Grain Yield Will be Short Because of Weather Conditions Which Prevented Normal Seeding

By F. M. CHAPMAN,
Editor "Farmers' Magazine."

Agricultural crop conditions do not bulk so much in the public eye this first post-war year as they did during the past four seasons. If they did, doubtless there would be considerable scaremongering over Ontario conditions. The wet, cold spring prevented the usual acreages of coarse grains and spring wheat. Following it came the two weeks of excessive heat which, while stimulating growth of crops already growing, rendered work on the land difficult for horses and baked clay lands where reseeding might have been done, and also put further seeding practically out of business as far as yields will be considered. As estimated in last week's despatch, the proportion of unseeded land in Ontario would be low if named at one-third. This loss of acreage will come out of coarse grains, while buckwheat will be used as a late crop in much of this acreage. Labor shortages are very marked this year, even worse than last year and much land is lying idle. A trip over Western central counties this week shows almost alarming conditions. True, we have a good growth of grass and meadows, beef feeding, though, is in a rather critical state, and as thousands of cattle went out at from 12 to 14 cents, profits on this grass are not too apparent.

Increased Acreage in West

Against this report we find Western conditions almost ideal. All the three Western provinces report a good outlook for grain crops. F. W. Crandall writes THE FINANCIAL POST from Calgary in an optimistic strain:

> Cropping conditions this spring have been ideal. The area put into crop is very large and while I can give no accurate figures from my observation I would say was 25 per cent. larger than last year. Never have I seen land prepared so well for the reception of seed as this year and this on account of the failure of such a large portion of the crop in this district last year, which was known sufficiently early in the season to have this land put in excellent condition for the 1919 crop. There never has been as much attention paid to the quality of seed used as was the case this year and the result is that, with the abundant moisture that obtained the surface soil and the quick germinating properties of the grain, we have the best stand of growing grain I have ever seen in Alberta. In various districts we have had very satisfactory spring rains and wherever this has occurred, the crop conditions were never better. With a few more good rains, a good crop should be insured. The farmers and grain growers are very optimistic, but coupled with this optimism is a certain caution which is commendable. Very few of the farmers are going into any extensive building operations or expenditures which are not absolutely necessary in connection with their operations. It seems to be the wise thing at the present time until a good crop is fully assured.

Southern Wheat Harvest

The wheat harvest in Southern Texas has begun and daily the yellow lines crawl northwards. By the middle of June, Kansas will be at it. In Southern Michigan wheat is heading out, while in Ontario rye is headed out in all fields.

A survey of the whole American situation shows that when the most northern harvest is completed North America will have enough bread grain to meet the world's needs as they are now estimated. Canada and the United States should harvest and thresh the tremendous total of 1,500,000,000 bushels of wheat unless a weather calamity blights present prospects.

Canada's wheat crop will bulk large from present appearances, some estimates putting it at 300,000,000 bushels.

Fruit has blossomed in Eastern Canada and British Columbia as never before. The hot weather has likely reduced the seeding considerably but all reports show a splendid outlook, especially for Ontario, in apples, pears, and small fruits.

Farmers' Advances Ignored by C.M.A.

Paris, April 10th, 1919.

My dear Sir:—

I notice in the *Grain Growers' Guide* a quotation from THE FINANCIAL POST, in which severe criticism is made of the present management of the C.M.A. I presume you are the author of this criticism. If so, I wish to commend you very heartily for your courage, and I can only hope that the membership of the C.M.A. will take the matter to heart.

There is no reason why farmers and manufacturers should not be on friendly terms. Both are of prime importance to Canada, and I am satisfied that the rank and file of both classes would do the fair thing; but they don't understand one another, and things are getting worse, instead of better.

This foolish dope now being issued in flaming "ads" by the Reconstruction Association is irritating the farmers very seriously, and, unless some change is made, I am fearful of the consequences. For years I have tried to bring the two classes together in friendly conference, but with little result.

Last fall, I believe through Mr. Parsons, I was invited by the Toronto Branch of the C.M.A. to meet with them and speak to them of the farmers' viewpoint. I consented gladly, and twice a date was fixed, but both times the C.M.A. secretary wrote, postponing the date, and it looks now as if they are deliberately unwilling that the conference should take place.

I am prepared to make some little sacrifice to meet them, but cannot force myself upon them. Class antagonisms have grown more pronounced in Canada during the last few years, and if we are not careful we shall be in for industrial warfare of a most destructive kind before we are aware of it. The so-called "laboring" men are growing restless and embittered, for either real or fancied grievances, and on all hands there is all too little of the spirit of good will.

I don't know what you can do to mend matters, other than to speak out your mind as you have done, but perhaps the opportunity will present itself for a "get together" movement some time.

I was present (on behalf of agriculture) at a very representative banquet in Montreal the other day, in honor of E. W. Beatty and Dr. Taylor, of Queen's University, and made a plea for more friendly and more frequent conferences. I know that the organized farmers are willing and anxious to meet the other parties, and we have taken definite steps to try to maintain closer and more friendly relations with organized labor. If the C.M.A. will come half way to meet us, there is no question but that good will come of it.

I thought I would send you these few lines to let you know my views.

Yours, etc.,
W. C. GOOD.

Col. J. B. Maclean,
c/o Maclean Publishing Co.,
University Avenue,
Toronto.

The above was received nearly two months ago. It was not intended for publication but it is so timely that a few days ago permission was sought and given. Mr. Good is a graduate of Toronto University; a very successful farmer, and one of the leaders in the National and Provincial Farm Movement. THE FINANCIAL POST has repeatedly said that the big farmers were, like the big business men, very fair. That they were not unfriendly to Canadian manufacturing or a protective tariff. That the real trouble was that the C. M. A. affairs were in the hands of a few narrow-minded men who had been mismanaging its affairs and misrepresenting its membership, estranging the farmers, the labor unions, the clergy, the returned solders; and finally, and quite unnecessarily, within the past month the retail merchants who, more than any others, can make or break the Made in Canada movement.

Mr. Good's letter will be read with great satisfaction by many manufacturers who misunderstood the farmers' attitude—an attitude that has been misrepresented in the association. There is now no further excuse for the two most important Canadian interests not getting together, a consummation towards which we have been working for years.

The manufacturers are not the most powerful class in Canada. The farmers are, also they are the most important. But the position the C. M. A. occupies gives it the greatest direct influence.

It is not an organization of individuals but of trustees, who were invited and entrusted by the people of Canada in 1878 to build up our home industries. We have paid millions in taxes to support them and we have entrusted them with more millions of our savings to enable them to carry on. Let the pin-heads get this trustee thought.

The big men who took on the job in 1878 and their successors have done magnificently. They were the chief factor in making Canada what it is to-day. We owe far more to the big men, who then and since have given the best that is in them for Canada, than we can ever repay. There are hundreds of men who have given, and are giving, their lives to the work, who have built up great industries, but who spent relatively more money for personal pleasure when they were employees than at any time since becoming employers. There have been no 48-hour weeks for them. They have made generous profits, but this money has gone back into more buildings, more plants, more wages, higher wages. These are facts that cannot be too often repeated at this time..

As we have time and again pointed out the manufacturers to whose sacrifices we are more indebted than any other are the most abused and mistrusted in all Canada. And the neglects and offences of the group controlling the C. M. A. are responsible. With many of them, association work is a "fad" not a "business." It is not pleasant to write thus of one's friends, but our prosperity, the prosperity of the readers for whom THE FINANCIAL POST speaks, and of all Canada is at stake. Germany is carrying on a tremendous propaganda to weaken Canadian industry. Groups of English manufacturers are doing their best to cripple Canadian competition. We have already given names and incidents. If you can get close enough to Lloyd Harris, who has done such magnificent work for Canada, he can give others and can show the actual documents.

And have you observed that the leaders in the present labor troubles are nearly all Old Countrymen or Germans, masking as Russian or English? In the Toronto Strike Committee of 15 only two are able to set up a claim to Canadian birth. And did you notice how unexpectedly the big sympathetic strike, that was but getting into its swing, collapsed? The Dominion Secret Service captured the 12 men, in meeting assembled, who form the central group of the Communist Party of Canada—one of the societies organized in Canada by Trotzky. We published their programme last week. There has been a sudden disappearance of numerous other sympathetic strike agitators.

Next Week's Gathering

The C.M.A. annual meeting is next week. Mr. Good's letter, events of the past year, and particularly present serious conditions, demand an immediate and more drastic development of the plans, inaugurated a year ago, for taking the control and direction of this great organization out of the hands of the Toronto clique and the making of it once more a truly national and popular institution. Attendance at this meeting should be a duty of the proprietors and general managers, the most important work of next week.

Under pressure a year ago the affairs of the Association were put in the hands of a General Manager, but almost at once the old gang put the brakes upon him. It was explained to him that he was selected because he was an expert on Transportation, which was not at all what the members generally intended. He has greatly improved the Head Office attitude to the members and the public, but he has not taken the big leadership that was expected. This has been generously, though we fear very unwisely, assumed by Mr. Parsons, the late president. His utterances on labor, agriculture, the churches, and retail profiteering have given much offence as they are regarded as the official views—which they are decidedly not—they have created an antagonism against the manufacturers when all classes should be working with them to take advantage of the greatest

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OUTLOOK NOW IS BECOMING MORE SETTLED

Tariff Announcement and Labor Developments Favorable Factors

MARKETS STRONGER

Victory Bonds Are Leading in an Active, Upward Movement of Considerable Breadth

Two factors, which might be calculated to exert an unsettling influence on the market, have definitely approached a solution this week. One is the uncertainty with respect to labor unrest; the other the uncertainty as to the tariff. It may be stated with confidence that developments in both cases have been distinctly favorable to the markets. While the country has yet to face a good many difficulties, yet the forces of law and order and respect for constituted authority have clearly shown their strength and revolutionary methods have received a severe set-back.

So far as the budget proposals of the Minister of Finance are concerned, their immediate effect has been to infuse new life into the market for Victory bonds. For a week past buying orders have been increasing and prices have firmed up appreciably. Under the leadership of these Dominion bonds, the whole list of provincial and municipal securities is certain to evince strength and activity.

Canadian Stocks

Stocks on the Canadian exchanges have been firm and in moderate demand. When manufacturers can size up just what the tariff changes mean in their respective businesses and there is an opportunity for investors to study the situation, a better idea of the effect of the tariff amendments will be obtainable. In the meantime the New York market continues its remarkable display of life and movement and Canadians are taking a good deal of interest in the more speculative opportunities afforded there.

In the mining security market, the

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The United States Post Office requires the following information on copies of this publication going to the United States:—
THE FINANCIAL POST, June 7th, 1919, Volume XIII., No. 23. Published weekly at 143-153 University Avenue, Toronto, Canada, by The MacLean Publishing Company. Yearly subscription price $3.00. Entered as Second-class matter July 1, 1912, at the Post Office at Buffalo, under the Act of March 3, 1879.

Six Post Readers in New Cabinet

FORMER Finance Minister Cashen, who, following the crisis which led to the resignation of Premier Lloyd, of Newfoundland, has been called upon to form a Ministry, has already selected nine members to act with him.

Six of these, including the Premier himself, have been regular readers of THE FINANCIAL POST for some time.

This does not only indicate the quality as well as the extent of our circulation, but indicates also that men who carry big responsibilities find THE POST of value to them. It indicates, therefore, the approval which is meeting the effort of our editors and the great importance and power of the audience to which advertisers have access through the columns of THE FINANCIAL POST.

When the Government of Newfoundland was recently arranging the flotation of a $5,000,000 bond issue THE POST'S opinion as regards some methods of marketing was quoted by members of the Cabinet.

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THE PERSONAL COVENANT BEING IGNORED IN WEST

Alberta Government Fails to Fulfill Promises of Leaders

RIGHTS IGNORED

American Opinion of Tendency in Canada Towards Confiscatory Legislation by Our Governments

The manner in which the position of the mortgagee has been undermined by legislation in the Province of Alberta, "making it practically impossible for mortgagees to recover on personal covenants at any stage," is emphasized by W. T. Creighton, president of the Mortgage Loans Association of Alberta. This condition of affairs has been aggravated by additional restrictions passed by the Legislature, and these in the face of the promise of the Premier that the retroactive features of the legislation of 1916, affecting covenants, would be removed and the further promise of the Provincial Treasurer that not only would contracts made prior to the spring of 1916 be restored to their original standing, but that covenants given subsequent to that date would be made effective, "as he realized that the borrowing powers of persons in the province had been considerably curtailed on account of such legislation."

The dangers of such legislation as referred to, particularly in relation to foreign investments in Canada, has time and again been emphasized by THE FINANCIAL POST. Articles which have appeared in these columns have recently been quoted by the "Constitutional Review," Washington, "a quarterly magazine advocating the maintenance of constitutional Government and recording its progress at home and abroad." These articles have pointed out that the Canadian constitution does not provide against legislation which will impair contracts, as does that of the United States. The following passage may be of interest:

". . . Now the Dominion of Canada, our very highly respected and valued neighbor to the North, is governed, as we are, by a written constitution. Without discussing its many and conceded merits, it is pertinent here to point out that it follows the unwritten constitution of Great Britain in respect to the theoretical supremacy of the legislative branch of the Government. There is a careful and wise distribution of power as between the Dominion and the provinces. But other than this there is no explicit limitation upon the legislative power. An act of the Dominion Parliament may be adjudged unconstitutional for invading the field specially reserved to the provincial governments, or vice versa. But this is the only case where a statute could be called "unconstitutional" in our sense of the word. The Canadian constitutions contain no provision that citizens "shall not be deprived of life, liberty or property without due process of law." Neither the Dominion nor the provinces are forbidden to "deny to any person within their jurisdiction the equal protection of the laws." If it is the practice in Canada that "private property shall not be taken for private use without just compensation" it is not because it is so written in the constitution. In other words, if a statute duly passed should impinge upon the rights of individuals in any of these particulars, the courts would not have power to declare it null and void."

Improvements in the Land Titles Act affecting the position of mortgagees were referred to by President Creighton in his annual report to the Mortgage Loans Association of Alberta as follows:

The Land Titles Act, under which sale proceedings are taken, was amended so that in the first instance service may be made on the mortgagor or registered owner only without the delay and expense, as previously, of first filing the notice prior to service, and this service will then be effective if this notice with proof of service be filed within 60 days of the date of same accompanied then with proof of service on all other interested parties. An amendment has also been made to this Act that makes an order of foreclosure granted by the registrar carry with it possession or the means of obtaining possession which was not formerly provided. We received the promise of the Provincial Treasurer that no increase would be made in the amounts to be collected under the Corporations' Taxation Act, and that the Act would not be changed in any respect, but he advised us that we might inform those investors who hold Alberta Provincial securities, such as school debentures, etc., that no tax will be collected on the revenue of companies which is derived from that source.

OPENS AT SWIFT CURRENT

The Canadian Guaranty Trust Co., of Brandon, Man., has recently opened a branch at Swift Current, Sask., under the direction of J. E. Hemenway, formerly a business man of that city. The company has considerable interests in the Swift Current district, and it was thought advisable to open this office to give better service than would be the case in handling business from the head office in Brandon.

PRODUCTION INCREASES

Newsprint Mills Making a Better Showing This Year

The forty mills in the United States and Canada reporting newsprint production for the News Print Bureau, produced 158,550 tons and shipped 156,675 tons during April. For the first four months of the year, production was 57,688 tons, or ten per cent. greater than for the corresponding period of 1918. This was largely due to the varying conditions in the two years. During the first quarter of 1918, production was abnormally low because of shut-downs and the worst weather on record; this year running conditions were exceedingly favorable. Stocks at U.S. mill points increased 3,905 tons during April, while stocks at Canadian mills decreased 1,733 tons, making total stocks 2,162 tons greater than on March 31. The total of 45,931 tons on hand at all mills on April 30, amounted to 7½ days' production.

EIGHT-HOUR DAY TO BE INVESTIGATED

Nova Scotia Legislature Appoints a Commission to Make a Full Inquiry

By Special Representative

HALIFAX.—The labor organizations of Nova Scotia asked the Legislature for a legalized eight-hour day. They did not get this, but instead a Bill passed the Legislature at the recent session for the appointment of a commission to report on the "effect the establishment of an eight-hour law would have in Nova Scotia on the industries of the province—wages, production, employment, export trade and Canadian industries."

The bill gives the Government authority to appoint this commission to enquire into and report upon the economic effect of limiting a working day for the workmen employed in the various industries of Nova Scotia to a period of eight hours in every twenty-four, with special reference to the effect of such limitation upon the matters already mentioned, regard being had to conditions obtaining in different districts, of amount and cost of production. The commission will also enquire into the effect of an eight-hour day in other countries where the same is by law established.

MORE CAPITAL FOR EASTERN SAVINGS

Eastern Canada Savings and Loan Co. Calling Up Unpaid Balance of Capital

By Special Representative

HALIFAX.—The Eastern Canada Savings and Loan Company is calling up the half of its subscribed capital, not yet paid up, amounting to $375,000. This is because the company anticipates large demands for building purposes in Halifax this summer, unusually large advances having already been made. The strike in the building trade in Halifax, begun a month ago, has curtailed the demand in the meantime, but it is confidently expected when the wages dispute is settled and the men return to work that there may be a marked revival in building and further requirements for funds from the loan companies. President S. M. Brookfield, alluding to the call on the unpaid portion of the capital, says.

"We have never had it more than 50 per cent. or $50 per share paid up. I have no doubt that $100 shares fully paid up will appeal to shareholders, especially when the balance would be offered without any premium, which means that on the 8 per cent. dividend basis now obtaning, they will get $4.00 per share on every share on which $50 is paid. The rate we now offer on Debentures is 5½ per cent. This is 1 per cent. more than we gave before the war. We have, however, not increased our interest rate to borrowers. Our Reserve Funds enable us to do this, and to make over 12 per cent. on the Capital. The company could do a much larger business if we could float additional Debentures up to the amount authorized by the Government, $1,500,000. We are $370,000 short of this, but I hope that during the present year we shall nearly reach this limit, which is extended as our Paid up Capital increases."

The company is giving plenty of time for the payment of the calls which are spread over two years, 10 per cent. being due on July 2, 1919, and thereafter the same proportion at intervals of six months.

GOVERNMENT DEPOSITS.

$2,500,000 in National Savings Bank at Halifax

Staff Correspondence.

HALIFAX.—I. H. Mathews, assistant receiver general at Halifax, informed THE FINANCIAL POST the other day that the balance and deposit in Halifax in the Government Savings Bank is $2,500,000. He said he had to refuse $1,500. A man came in with $3,000, but the law allows only a maximum deposit from any one individual, of $1,500. They took half his money and sent him with the balance to a chartered bank. There is in Halifax also a post office savings bank.

REGULATIONS UPSETTING THE FISH MARKETS

Poor Handling of Salmon Situation by The Government.

ONTARIO SITUATION

Government is Taking a Position Which Gives a Big Advantage Over the Private Fish Handlers

By J. L. RUTLEDGE
Editor "Canadian Grocer"

The recently promulgated order requiring an individual license for the import of all canned salmon and sardines, has aroused a good deal of comment. The Government has been faced by heavy stocks of salmon at the Pacific Coast, and a considerable accumulation of sardines at the Atlantic. The condition at the Pacific Coast was unquestionably brought by the ill-considered action of the Government last season, in requisitioning all the better grades of salmon, and leaving only the chum or poorest grades of salmon, and a small proportion of two other grades for the Canadian trade.

Canada has never consumed the chum salmon pack, there being no demand in this country for a light colored salmon. In past years this has been more or less readily disposed of on the British market. This year unfortunately the Government saw fit to reverse the general order of things, with the result that the consumption of salmon in Canada has been very largely curtailed, and has been mostly met by what small portion of better grade stock there was available.

It is now stated that there are 300,000 cases of salmon in warehouse at Pacific Coast, a serious enough situation with the packing season rapidly approaching. This stock entails the tieing up of a large amount of capital, which will be a serious handicap to all the packing companies on the coast. The avowed intention of the new order is to compel the Canadian public to consume these stocks of food. While there is no question of a doubt that this salmon is as nutritive as any salmon packed, the fact remains that it has not found favor in the past with the Canadian public, though owing to its cheaper price it has been marketable elsewhere, and it is questionable whether this regulation aimed to prohibit the import of colored salmon will have the desired effect.

The requisitioning of the better grade salmon not on British Government order, but for private British companies, was unquestionably the factor that led to this situation and it would seem that with this responsibility resting on its shoulders the Government might have adopted some more effective means of dealing with the situation. There are markets that would be glad of these supplies of food. The canning companies who had to finance the whole of the past season's pack till late in the fall, when a price agreement was finally reached, and who have since then had to finance this balance, are not in a position to cultivate this market for themselves, but it would seem that the Government should be able to find some way of attending to this matter.

Ontario Fresh Fish.

The Ontario Government in its fish selling campaign is adopting a different system this year. Handlers of Government fish have to guarantee not to buy trout or white fish from any other course than the Government, otherwise they will not be supplied. They claim that a large number of dealers have signed this agreement. Wholesale fish handlers however are apt to look somewhat skeptically on this agreement. They state that if the Government supplies are as inadequate and unsatisfactory as they have been in the past, the handler will have to buy elsewhere, despite the agreement or see his business disappear.

There is a very strong feeling among dealers that this pet scheme of the Ontario Government is not going to have the effect of making food cheaper for Government fish can at the best supply only a very small part of the public, while this competition is having the effect of diverting other Ontario lake fish to the American markets, and consequently diminishing the available supply. The dealers cannot see where the Government is doing the public such a favor. They are opening practically virgin waters to their own fishermen, and prohibiting them to the public. They are paying 5¾ cents, where the regular fish wholesaler is compelled to pay 10 to 11 cents for the same variety of fish, in order to compete with the American buyers who would otherwise take the entire supply. It is urged too that the system is resulting in no real economy. The only saving is in the initial cost, and the Government is regulating that by law, and is not meeting open market conditions. With a cost of 5¾ cents, express and packing charges of approximately 2½ cents, and a selling price of 11½ cents there is a margin of 3¼ cents, whereas several canneries have been operating on a yearly average margin of 1½, which appears to be a fair indication, that the only benefit that the Government is able to give is due to the favorable treatment that it accords itself. It does not even assume the usual commercial risks. The communities in which the retail distributors of the fish are located, being required to guarantee the account of the merchant. The regulation requiring fishermen in other localities to turn over a part of their catch to the Government on demand, has not been put in force this year, owing, it is presumed to the strenuous protests of the fishermen, against any such unwarranted interference with their rights.

The wholesale fish dealers are not inclined to quarrel with the Government entering the business, but they do feel that the competition should be on an even basis, and they contend that only so can it be of any service to the public.

SIR ADAM WANTS CITY CLERK'S HEAD

Hydro Boss Adopts Characteristic Attitude Towards London Civic Official

LONDON.—Sir Adam Beck appears to be after the head of City Clerk S. Baker. The "Advertiser" reports that he corralled six aldermen as they were leaving the armories after the 18th Battalion banquet, and, according to Ald. W. A. Wilson, accused the city clerk of having written a letter "knocking" the London and Port Stanley Railway, extracts from which were read at a meeting held at Whitby some time ago for the purpose of considering hydro bylaws, and the taking over by the Hydro Commission of the Toronto and Eastern Railway.

Sir Adam told the aldermen that he saw the London coat of arms on the letter, and although he did not see the signature he was told by reporters that it was signed by S. Baker. On the strength of that Sir Adam is reported by Ald. Wilson to have declared to the six aldermen, among whom were Ald. Seabrook, Cunningham, Moorehead, Drake and Colbert, that if he, Sir Adam, were head of the city Mr. Baker would be "fired."

Sir Adam was very angry and declared: "I put Baker where he is, and if I were head of the city now I would soon put him out again."

SWINDLED BY FAKE INVESTMENT ADVICE

Hungarian Born Publisher of Canadian News Denounced in British Court.

LONDON.—The case was heard in the King's Bench Division before Mr. Justice Darling, in which J. H. T. Thomas brought an action against Alexis Maria de Beck, in a claim for £500, which he had deposited in August, 1913, with de Beck as a guarantee of good faith in connection with a certain purchase of Canadian land. The plaintiff appears to have been one of the many people who at that time, when the Canadian real estate boom was on, were led to accept the claims made by de Beck in his "Canadian News" to be a disinterested and reliable authority on Canadian investments. Under the heading, "Gold and Glitter," the editor each week offered advice to the unsuspecting public. From first to last it appears that the plaintiff, Mr. Thomas, had invested over £11,000 in so-called town lots; he was also induced by de Beck to buy shares in his paper, the "Canadian News."

The career of this Hungarian-born adventurer was gone into to some slight extent in Court, and Mr. Justice Darling, giving judgment for the plaintiff for £500 and costs, said he should have come to the conclusion that the £500 was part of the purchase money of the land and was not simply a guarantee of good faith by Mr. Thomas if he had not found as an incontrovertible fact that Mr. Thomas must have overpaid Mr. Harris (the representative of the vendors) exactly the £500 in the event of the cheque in question being considered as part of the purchase money. Referring to affidavits by de Beck, his Lordship said the defendant was convicted partly by his own oath and partly by his own handwriting of what could only be characterized as a deliberate attempt to swindle Mr. Thomas out of £500. "The case needed only one other touch to make it quite perfect, and that was supplied by de Beck himself, who said that the £500 was paid to him by Mr. Harris for the services he had rendered Mr. Harris in introducing the plaintiff. That was another fact to show that this was nothing but a deliberate swindle by de Beck perpetrated upon Mr. Thomas."

THE ST. LAWRENCE POWER PROBLEM A DIFFICULT ONE

Beck at Brockville Displays Ignorance of Whole Situation.

POINTS AT ISSUE

Question of Navigation is Important — States, Federal, Provincial and Dominion Rights Are Involved

When Sir Adam Beck was here recently and discussed the power problem of Eastern Ontario, demanding the right of the Province of Ontario to develop the power on the St. Lawrence, he failed to be impressive because of the lack of understanding of the whole proposition and the relations of the province and the Dominion with the individual states and the American Union which he displayed. In view of all the circumstances he would have been much more effective in working for a solution of the whole problem had he endeavored to bring the federal and provincial authorities together so that they might deal with the powers on the other side of the great international waterway, rather than to stir up antagonism by setting the people of Ontario against Ottawa. The situation is intelligently set forth by the Brockville Recorder, from which we quote:

Sir Adam Beck Spoke of "the power at Morrisburg" when here. There is no power at Morrisburg except the small amount developed through the canal. The power site is at Waddington, nearly opposite Morrisburg on the American side. It is situated on the Little river, an arm of the St. Lawrence. Many years ago there was a small development there, but it has not been utilized for a long, long time. When it was proposed to again develop this power (it is a small power) the Canadian Government engineers reported that to do so would draw sufficient water from the main channel to perceptibly lower the depth on the sills in the Williamsburg canals. It was to this that Sir Adam referred when he said "the Dominion Government had interfered with the development of power at Morrisburg." To be fair, how could the Federal authorities, whose duty it is to protect navigation, have done anything else?

A few miles east of the Long Sault the St. Lawrence river leaves the United States and flows altogether through the Province of Quebec. At the Sault, however, the State of New York is on one side and the Province of Ontario on the other, the dividing line placing the longer shore of the river on the American side. If navigation were not involved, the power propositions could be solved by the Province of Ontario and the State of New York. But navigation is not only involved, but it is the paramount interest, protective not only by Federal rights, but by treaty and agreement as well.

Under the latter an International Waterways Commission was established, and no works may be constructed in the river without the consent of the commission.

Under the statutes of the United States and Canada, neither New York State nor Ontario could by themselves or through another legally put one stick of timber in the St. Lawrence, for any purpose, without the consent of the International Waterways Commission.

It will thus be seen how absolutely essential it is, if the power at the Long Sault is to be developed, that the Federal and Provincial authorities work together, on this side of the line, and that on the other side the same harmony exists between the authorities at Washington and Albany. And in addition to this, there must be joint action among the Governments, Federal, Provincial and State, on both sides of the St. Lawrence. It is not so easy, but it can be done.

GROSS CARELESSNESS

Lax Business Methods of Canadians Seeking Export Orders

OTTAWA.—A grave statement on the lack of business method by some firms which is hurting the general Canadian reputation in Great Britain is contained in a communication from Mr. Henry B. Thomson, of the Canadian Trade Commission, now in London in an advisory capacity with the London Mission. He says:

"It has been brought to our notice by several firms here that Canadian manufacturers and others are very lax in not replying to correspondence and inquiries, and it is having the effect of creating an impression that Canada as a whole is not looking for business, or making much effort to get it. Trifles of this kind create a false idea, as the people in the United States are very particular about prompt reply to inquiries, and furthermore carry on a regular follow-up course of correspondence. Not only has it a bad effect in creating an impression of slackness, but it is also causing some of the importers here to make strong representations to the Government to remove the import trade restrictions with other countries that are not within the Empire. At the present moment Canada is, as you are well aware, particularly favored in this regard as compared with the United States, but if the representations of the importers are sufficiently strong and insistent, the Government will be forced to allow certain commodities to be brought in here on a par with Canada, because these commodities cannot be procured, or apparently so, within the Dominion [illegible] n if they have not got the stocks [illegible] do not deal in the commodities [illegible] asked about, surely it would be [illegible] matter for them to write a note [illegible] English firm inquiring and explain the [illegible] ion to them."

IMPERIAL OIL TO DRILL

Experimental Wells to be Sunk in Peace River Country

EDMONTON.—The Imperial Oil Company is sending two complete oil drilling outfits into the north country, one via the E.D. and B.C., and Peace River, the other over the A. and G.W., Athabasca and the Slave Rivers route.

Two holes will be sunk, one near Great Slave Lake, and the other at some unknown point farther north.

EFFECT OF STRIKE ON MILLING INDUSTRY

The Winnipeg Plants Remain Closed and Export Business is Handicapped

The strike situation, while not as yet affecting the mills in many places is having, nevertheless, fairly serious effect on the business. The Winnipeg mills are of course closed, and though other Western mills as far as can be learned are still operating there has been a good deal of delay and inconvenience in getting flour through, to meet the export orders.

While this is a serious enough situation in itself officials are inclined to feel that a still more serious influence is in the effect that the strike will have on other countries. This will certainly not be of advantage to Canada, and may, indirectly, have its effect of curtailing export business.

Domestic business for some time past has been of a very satisfactory order. Though it has fluctuated somewhat from week to week, the average has represented a very satisfactory movement.

The Bulletin of Canadian grain statistics gives the total quantities in store for the week ending May 23 at 25,713,636 bushels, while returns for May 28, the last figures available, showed wheat in terminal elevators and in public elevators in the East totalling 10,456,755 bushels.

INDEPENDENT ORDER OF BUSINESS MEN

Unique Organization Which Has Been Registered in Great Britain

LONDON. — This is the singular title under which a company has just been registered in the United Kingdom. According to the articles of association, the Independent Order of Business Men, Ltd., has for its objects the securing of Government, parliamentary, public and other recognition of the claim of the order to speak authoritatively for those concerned in business and professional affairs; to create a union of independent business men; to oppose the operations of combines, trusts and monopolies; to establish an association of employers for negotiating with trade unions, and for the settlement of disputes; to act as arbitrators in such disputes and in disputes arising out of commercial transactions; to press for the reform of income tax and rating incidence; to institute a fraternity cult, freemasonry or fellowship of business men; to organize political, educational, benevolent, legal, mercantile and other guilds; to conduct the business of a chamber of commerce; to institute a parliamentary guild, and through its instrumentality to conduct parliamentary, municipal and other elections, and financially to assist candidates, M.P.'s and councillors in the interests of the order; to institute a finance guild to borrow and lend money; to act as investment, loan and monetary agents; to establish a benevolent guild; to organize a business and legal guild; and to obtain a royal charter, provisional order, or act of parliament for any of the objects of the order.

This amazingly comprehensive body has for its first executive a chartered secretary, a fine art printer, a boot manufacturer, a refreshment caterer, an optician, an accountant and a journalist.

BRITISH INDUSTRIES FAIRS

Big Exhibition Being Arranged For 1920

By Resident Representative.

LONDON.—The Board of Trade has already announced their plans for fairs to be held in London, Birmingham and Glasgow from February 23 to March 5, 1920. The new home of the British Industries Fair in London is to be the Crystal Palace at Sydenham. This is by far the largest exhibition building in the world. It possesses a floor area of 20 acres, which means that the London Fair of 1920 will be seven times the size of the one which has just passed.

ILLINOIS TRACTION

The April earnings statement of the Illinois Traction Company shows gross earnings amounting to $1,340,439, against $1,162,496 for the same month in 1918, an increase of $177,943. Operating expenses at $967,309 were higher by $154,417, while net earnings amounting to $373,130 compared with $349,603, an increase of $23,527.

For the four months ending with April the gross at $5,559,704, showed an increase of $785,611, and net at $1,611,219, showed a gain of $260,150.

A BIG FIELD FOR OUR PRODUCTS IN EUROPE'S MARTS

Canadian Manufacturers Have Big Opportunities For Initiative

BUSINESS WITH GREECE

Lloyd Harris Explains How Wheat Order May Lead to Better Shipping Arrangements With Balkans

The direct, practical benefits of the representation in Great Britain and Europe of Canadian manufacturing and agricultural interests by capable business executives with power to negotiate without being hand-tied by red tape are emphasized by the details of the activities of the Trade Mission, given by Lloyd Harris. Mr. Harris is appearing before various industrial bodies throughout the country explaining the necessary steps which must be taken at this end to develop foreign trade. The present situation is that, owing to the devastation of war and the difficulties of social and industrial reconstruction there is field in Britain and Europe for practically all Canadian manufactures which can be delivered on a satisfactory basis, while the outlying Dominions—South Africa, New Zealand and Australia—are also in the market because of being cut off from Old-World supplies. To get this business Mr. Harris explained what is required is practical methods on the part of manufacturers in meeting the requirements of the consumer, and co-operation on the part of Canadian bankers in financing orders. The commission can point the way and aid in arranging credits, shipping, etc., but its members are not glorified commercial salesmen; their aid will largely benefit those who help themselves.

In addition to the Rumanian orders which have been secured through the co-operation of the Trade Mission in making financial arrangements, one of the best strokes of business which has been accomplished has been in selling to the Government of Greece—a nation which is to-day plentifully supplied with money—a supply of wheat, to be delivered at the rate of a million bushels a month. Mr. Harris explains on the side that this transaction promises well because, he figures, that when the wheat shipments are being made Greece will take delivery at Canadian ports, and there will be an opportunity to put some manufactured goods aboard.

A Wrong Righted

In explaining the situation which the Mission faced when it first arrived in England, Mr. Harris refers particularly to the trade regulations which favored the United States to the disadvantage of Canada. How he went direct to Lloyd George in order to have this wrong righted and the attendant benefits have already been explained in THE FINANCIAL POST.

The situation in France and Belgium, as has been previously outlined, is confirmed by Mr. Harris. These nations need large supplies to rebuild the devastated areas and run-down public services, but their attitude is that this must be largely accomplished internally, there being no available finances to spend with foreign countries. In view of this the Mission turned its attention to Rumania, Serbia, Greece, Poland, and the Czecho-Slovaks. Poland needs clothing and raw materials. The Bolsheviks are on one side and the Germans on the other, and that country needs help and needs it quickly.

A Basis of Barter

The principal industries in Rumania are agriculture and the production of petroleum. The Germans, states Mr. Harris, destroyed practically all the rolling stock of that country. Not only this, but the Germans took away all he agricultural implements, so that this year it is doubtful if the country will be able to feed herself. Rumania needs everything. If we could finance the business we could get enough right here to keep all our factories going. We could sell them locomotives, agricultural implements, and clothing. There is lots of business there, but the question now is that of financing. They have no standing in the matter of credit, and it may be that we will have to go back to the Indian custom of barter in order to open up trade. They have huge quantities of oil which they could send us, and oil is very much in demand at present. In Southern Russia there is a situation that is somewhat similar, and we could get from that country in exchange for our produce, manganese ore, hides, tobacco, iron ore and petroleum.

It is to Greece, however, that Mr. Harris looks for best results, and he hopes that the wheat deal previously referred to will lead to a transportation service which will aid Canadian shippers. "Greece, with the new territory which will be added, will have a population of between twelve and thirteen million people, and the new land that is being added is agricultural. They do not produce a great deal in Greece outside of currants and nuts, but they have good deposits of certain minerals. Greece is the gateway to the Balkans, and the Greeks are real merchants. I met Premier Venezelos a good many times," continued Mr. Harris, "and, after finding out the real conditions I suggested to him that they should make Canada the workshop for Greece. He was impressed with the suggestion, so much so that Greece is going to send a purchasing mission here to buy for a syndicate which will represent practically the whole nation."

Emphasizing the necessity for manufacturers to send their own representatives to foreign markets, Mr. Harris strongly advises that they be men who know something about the technical end of the business. "All these countries require goods peculiar to their own requirements. The heads of concerns should go themselves, or some of their best technical men. Go into this field as though you were going to make it something permanent. Study it and find out what is wanted."

A factor in opening European markets for Canadian trade is, according to Mr. Harris, the high regard in which this country is held in view of its part in the war. Canada is showing a disposition to help while the experence of the small Balkan states in the past with Germany and other great European nations has been that they wanted to get commercial domination in order to exercise political control.

Altogether Mr. Harris holds out bright hopes for Canadian trade in Europe, but manufacturers must be prepared to develop initiative if they want the business. Selling organizations which have run down during the period of easy war orders must be built up again. Also every effort must be made to settle industrial unrest. Not only is this detrimental to output, but as Mr. Harris emphasizes, it gives the impression in Europe that we are in the same class as Russia.

STEEL AS FACTOR IN WAR CAMPAIGN

Statistics Bearing on The Supplies Delivered by The U.S. Steel Corporation.

The United States Steel Products Co. (export department of the U.S. Steel Corporation) has sent out a letter to its agencies outlining the policy followed by the corporation during the time of the war. There has been some criticism of the inability of consumers to secure steel, and the corporation points out the manner in which it co-operated with the Governments of its own countries and the Allies in putting war work first at all times. Some of the figures given out are staggering in their enormity, and give a pretty fair idea of the capacity to which the plant of the Steel Corporation was driven. The following list is issued of material furnished to the U S. Government or the Governments of the Allied nations:

1,400,000 tons of rails and accessories.
11,000 switches.
600 miles of light portable track.
1,816,000 tons of shell steel and forgings.
9,500,000 shell forgings. It is estimated that the steel and forgings together would produce 75,000,000 shells. The sizes range from 14-pound Serbian shrapnel to 12-inch heavies.
150 miles of 12-inch pipe line for water supply for the British troops in Mesopotamia, also a similar quantity for water supply in France.
683,000 tons of barb wire, including 33,000 tons of the "Iroquois" military wire.
180,000 tons of plain wires.
75,000 tons of wire rods.
2,000,000 kegs of nails.
110,000 kegs of horseshoes.
20,000 tons of weaving wire for the manufacture of screen cloth, bookbinder wire (principally for binding questionnaires) and wire for making brushes for cleaning cannon and small arms.
2,400 tons of cold rolled cartridge clip steel.
500 tons of fine music spring wire for small arm and other high grade springs and aeroplane construction.
Over 10,000,000 feet of wire rope.

Officials of the Steel Products Co., speaking to the FINANCIAL POST in regard to the matter, drew attention to the fact that these are simply the principal lines. The wire company also supplied large quantities of special telephone cable for use at the front, and other electrical transmission products. There were also innumerable quantities of springs and specialty items.

BIG TRADE CREDITS

Loans to France and Belgium to Buy Foodstuffs

LONDON.—It is understood contracts will shortly be made by the Canadian Government for the supply of foodstuffs and manufactured articles to France and Belgium. The matter of credits is now under review. It is probable that it will amount to $25,000,000 in the case of each country, and that this sum will provide for the delivery of manufactured goods and possibly a proportion of raw materials.

Banking Service

The attention of manufacturers is drawn to the excellent facilities this Bank offers in all branches of a complete banking service.

A good banking connection is an essential to the success of the manufacturer or merchant.

THE CANADIAN BANK OF COMMERCE

Capital Paid Up, $15,000,000. Reserve Fund, $15,000,000

THE ROYAL BANK OF CANADA

FRANCE

The Agency of The Royal Bank of Canada in Paris is now open for business at 28 Rue du Quatre-Septembre.

Manager - - - Wm. Warren.
Asst. Manager - N. G. Hart, late of New York Agency.

Banking business with France of every deription is solicited through the Branches of the Bank.

The Weyburn Security Bank

Chartered by Act of the Dominion Parliament.
NINETEEN BRANCHES IN SASKATCHEWAN
HEAD OFFICE, - WEYBURN, SASK.

DIRECTORS:—Alex. Simpson, Pres., Minneapolis, Minn.; Jos. Mergens, Vice-Pres., Weyburn, Sask.; J. A. McBride, Weyburn, Sask.; Frank Moffet, Weyburn, Sask.; H. N. Morphy, Weyburn, Sask.; S. E. Oscarson, White Rock, S.D.; N. D. McKinnon, Weyburn, Sask.; H. O. Powell, Gen. Mgr., Weyburn, Sask.
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The Home Bank has arrangements for the issuing of Letters of Credit and Drafts to over 1500 principal points in the Kingdom and the world-wide British Empire, and countries of Europe and Asia not still under the War ban. The service is most complete and of unexcelled efficiency.

Travellers' cheques issued. Good everywhere in Canada and the United States.

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THE HOME BANK OF CANADA

Our Employment Department has made a specialty of maintaining production despite casual absentees. Let us explain our methods as applied to your particular industry.

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"Standard Reliance" Serves the Best

INVEST your money in our Mortgage Debentures paying 5½%
No worry—no trouble—no expense — and absolute safety.

A handy and useful booklet on—"PROFITS FROM SAVINGS" which gives some very sound financial advice will be sent to you free on request. Write for it to-day.

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SIR HERBERT HOLT ON THE RESULTS OF PUBLIC OWNERSHIP

Canada Fails to Profit by the Experiences of the States

CAPITAL AND LABOR

Increases Will Not Bring Workers the Benefits They Expect — Why "Power" Recognized Union

By Resident Representative.

MONTREAL.—The shareholders of the Montreal Light, Heat and Power Consolidated at their annual meeting on Thursday agreed to the proposal of the directors to have the fiscal year close on Dec. 31 in future, with the first annual meeting under the new system in February 1921. The reason for the change is that the annual moving period among Montreal householders occurs at the end of April, the date of the close of the company's fiscal year under the present arrangement, and the company could not attend to the needs of their customers and look after the details connected with the year's closing at the same time.

Permission was also granted at the meeting to change the by-laws to permit of the company making call loans on the street to brokers for collateral. Under the existing by-law loans could not be made to shareholders, but this included practically the whole of the brokers as they held stock in trust.

The general satisfaction voiced by the shareholders at the conduct of the company's affairs by the president and his staff was tempered by a note of caution on the part of Sir Herbert. He drew attention to the upset conditions of labor, and declared with the cost of living as high as it was they could not expect to reduce wages and operating expenses. Moreover the company had lost customers through munitions plants closing down, and must seek for others to take their places. For these reasons therefore they could not expect the company to show the increases it had in the past.

Agreement With Employees

The president announced that an agreement had been reached with the employees of the company by which a large increase in wages would be granted to go into effect for the next year. The result would make it impossible for the company to grant the reductions in rates of electricity and gas that had been contemplated. The Montreal Light, Heat and Power Company was the only one that throughout the operation of the war had not increased the cost of lighting, but had continued reductions in the rates.

In speaking of the short-lived strike that had taken place in April Sir Herbert said that the company had decided to recognize the Union because the strikers were arranging to have a sympathetic strike called, which would affect other industries, and a public service corporation had obligations that made it different from the regular private corporation. The company had, however, maintained an "open shop." Sir Herbert added that he was sorry to say that increased wages did not imply increased efficiency. "My experience is the very opposite. Increases in wages have not benefited the men as much as they thought."

Gordon Strathy in expressing the thanks of shareholders declared that the public had shown their appreciation by the fact that Power stock was the highest priced security on the Canadian market, 1 per cent. per annum higher than the best Government security.

Sir Herbert Holt in reply observed that it was not patting the Montreal Light, Heat and Power Company on the back to say there was not efficient management under Government control. He deplored the wave in favor of Government ownership that was passing over Canada when it had failed in every other country.

American Experience

"It is unfortunate that we are assuming obligations in Canada when an equally clever people across the line had found Government control unsuccessful. They are $1,300,000,000 behind in a little over a year, after the efficiency and morale of the employees had been absolutely destroyed."

J. E. Aldred referred in the highest terms to the results of Montreal Power management, from his wide experience with United States companies. The story of progress and profit to the shareholders shown in Montreal Power was not a common occurrence in public utilities in recent years.

"This company stands as the premier company of its kind in the world. It has been most useful from a constructive and economic point of view; it furnishes power to its district at a lower price in the aggregate than any other company in the world."

The old Board of Directors was re-elected.

MONTREAL MINIMUMS

Several Stocks Dropped Below the Artificial Level

By Resident Representative.

MONTREAL.—As was expected, the removal of the minimum resulted in several stocks listed in the Montreal market selling below the previously fixed prices. The heaviest declines occurred in the cases of Dominion Bridge, Bell Telephone, and Montreal Tram and Power. The former fell from 122 to 114-115; Bell Telephone, which had been dropped fom 130 to 125 after "rights" were off, declined to 113 bid on Thursday, and Tram Power dropped to 15-16. Wayagamack declined a little from 50 to 47½-48½. These changes practically cover all the difference made in the removal of the minimums.

SCOTIA IRON DEAL

Committees of Each Company to Deal With Areas Question

HALIFAX. — Hon. E. H. Armstrong, who left for Boston, Montreal, and Ottawa this week is doubtless away on business connected with the submarine coal leases of the Dominion Coal Company and Nova Scotia Steel and Coal Company. Mr. Armstrong, before leaving, stated that the companies had each appointed a committee of three of their directors, and authorized them to deal with the matter in controversy and that a date for a conference would be fixed very soon.

MERGER STORY DENIED

Manager of Western Canada Mills Refutes Montreal Story

J. E. Macfarlane, general manager of the Western Canada Flour Mills Co., stated to the FINANCIAL POST that there was not the slightest shadow of foundation for the rumor of an amalgamation between the Western Canada Flour Mills and the St. Lawrence Flour Mills. Mr. Macfarlane is at a loss to know how such a rumor arose as such a possibility has never even been considered.

Mr. Macfarlane reports business very fair. The Winnipeg mill is still closed, but as far as they are able to learn other mills in the West are in operation.

LAKE HURON STEEL CO.

A Charter is Granted by the Dominion Government

OTTAWA.—The charter of the Lake Huron Steel Corporation received the official signature of the Secretary of State, Hon. Martin Burrell, Monday, June 2. The capital stock of the company is $15,000,000, divided equally, preferred and common. The charter has exceptionally wide powers, covering the ownership and operation of mines, transportation companies and the manufacture of practically every line of high-grade steel products.

It is the intention of the company apparently to operate a number of subsidiaries, and an important amalgamation of two or three Ontario companies is said to be in prospect. A. C. Macnaughton put through the charter, acting for J. J. Mahon and other United States interests.

NEW SKYSCRAPER FOR CORNER OF YONGE AND KING?

Other Alterations Also Planned for Toronto's Skyline

OFFICE SPACE SCARCE

Demand for Accommodation in Financial and Business Sections of Large Cities is Being Felt

In spite of labor difficulties, some of which are bona fide, and some of which are but the cloak of Bolshevism—in spite of the discouraging effect of such conditions upon incoming industrial enterprise, and in spite of the high cost of building operations Toronto is approaching a period of big activity in down-town office building construction. The sky-line at King and Yonge Streets is due to alter again and probably the alteration will be rapid. There is a very decided hint that another tall office building will rise close to King and Bay streets.

The need for office accommodation is put in a nutshell by H. H. Williams, whose firm has the renting of considerable accommodation of this kind. He said the other day to THE FINANCIAL POST:

"There are few, if any, suitable spacious quarters for growing financial and other businesses requiring down-town accommodation. I know of scarcely any such premises that are not fully in use, and likely to be. Of course, now and then we hear of tenants making, or desiring to make, changes, and occasional oportunities occur for growing firms to suit themselves better as regards quarters. But there is no new office space available at present to meet demand arising."

There is a prospect that the site at the north-west corner of King and Yong Streets will change hands very shortly for a consideration of some $875,000, and on this site the erection is contemplated of a sky-scraper probably tall enough and massive enough to eclipse existing tall buildings at this corner. This, so far, is not definitely settled, and the names of parties interested are not to be divulged at this stage, but there is no mystery about the fact that the Trusts and Guarantee Company Building at 120 Bay Street, close to King St. and next street to Yonge, is going to be enlarged according to the original intention, to eleven or twelve stories of office accommodation most of which is already bespoken. There is a long waiting list for space in the new building, tenders for which are being called for. But as Mr. Stockdale, manager of the company, says: "Much depends on the cost of construction at the present stage."

DAWE TO LONDON

At a special meeting of the Canadian Pulp and Paper Association on Thursday the secretary, A. L. Dawe, was chosen to represent the company in London as adviser to Lloyd Harris, of the Canadian Trade Commission, in reference to export business both in pulp and paper. Mr. Dawe, who has an intimate knowledge of the production of the Canadian mills, will carry samples with him and will also conduct negotiations for increased shipping.

Farmers' Advances Ignored by C.M.A.

Continued from page 1.

opportunity this country has ever had. We have already let much of it go past us; no more time should be lost over petty things. The public should be given clearly to understand that only the President or General Manager has any authority to express the views of the manufacturers of Canada.

The General Manager needs less interference from local busybodies. He needs a strong President, strong officers and stronger committees—made up of the big men, the most experienced men in the Association. Chats with men of this type—one Montreal and two Toronto men of outstanding ability and success in the history of Canadian industry—agree that the most important policies in sight are to:—

Stop making enemies for Canadian manufacturing; make friends for Made-in-Canada at home and abroad by good service and high quality of output.

Meet and come to a better understanding with the agricultural leaders. To-day the Association is in the position of having snubbed the farmers.

Recognize all bona fide Trade Unions. Invite at once their leaders to meetings of the Association and their co-operation in the building up of Canadian industry. Later provide for them in the C.M.A. membership. All wage and allied problems should be utterly tabooed in the C.M.A. Labor now believes the C.M.A. is their chief enemy. It should be their partner and best friend. Associate or other membership in the big Association will so broaden the outlook of employer and employee that they will understand each other better in the individual trade associations.

Go on record against combines and profiteering, which are the greatest source of irritation in Canada to-day.

Stop all this hypocritical faking to which Mr. Good refers. Letters published in these columns; and editorials from rural weeklies show that among, even the supposedly unsophisticated, back woodsman, some of the reconstruction advertisements have created an ill-feeling against all Made-in-Canada products.

The $50,000 Manager

There is a proposal to increase the annual fees. Many members are skeptical as to the wisdom of some of the increased expenditures. Too many faddists have an influence in the Association's activities. If the increase is for the General Manager's salary they ought to be adopted, but otherwise we do not believe an increase is necessary.

NEW ISSUE

Subscription List Will close On or Before June 14th, 1919

$800,000

HOWARD SMITH PAPER MILLS

LIMITED, MONTREAL, QUE.

Manufacturers of the highest grade Writing Papers

6% First Mortgage Fifteen-Year Sinking Fund Gold Bonds

Dated June 1st, 1919. Due June 1st, 1934.

Principal and half-yearly interest (1st June and December,) payable in Gold at the Royal Bank of Canada, Montreal and Toronto, and at the Agency of the Royal Bank of Canada in New York City. Coupon Bonds. Principal may be registered.

Denominations: $100, $500 and $1,000

Redeemable as a whole or in part on June 1st, 1921, or on any interest date thereafter on three months' notice, at 105, and accrued interest.

Trustee: Montreal Trust Company, Montreal and Toronto

Subject to Legal Opinion: Messrs. Brown, Montgomery & McMichael, Montreal.

1. *These bonds are a first mortgage on assets totalling over $2,300,000* or about 3 times the bond issue.
2. *The average net earnings for the past three years amount to $161,074,* or about 3⅓ times the bond interest.
3. *Net earnings for year ending Dec. 31st, 1918, amount to $197,116,* over 4 times the bond interest.
4. *Net earnings for the year 1919 are estimated at $300,000,* or over 6 times the bond interest.

Price: 93 and interest, yielding 6¾%

Full descriptive circular on request. Orders may be telegraphed or telephoned at our expense

NESBITT, THOMSON & CO., LIMITED
1404 C. P. R. Bldg. - - Toronto
222 St. James' St. - - Montreal
Mercantile Trust Bldg. - Hamilton

A. E. AMES & CO.
Union Bank Bldg. - - Toronto
Transportation Bldg. - Montreal
74 Broadway - - - New York

EAGLE, STAR AND BRITISH DOMINIONS INSURANCE COMPANY, LIMITED

HEAD OFFICE: LONDON, ENGLAND

Chairman and Managing Director: SIR EDWARD M. MOUNTAIN

BALANCE SHEET, DECEMBER 31st, 1918

LIABILITIES

CAPITAL—Authorized 1,000,000 Shares of $15 each	$15,000,000		
Subscribed—			
40,677 Preference Shares	$ 610,005		
559,558 Preferred Ordinary Shares	8,393,370		
284,250 Ordinary Shares	4,263,150		
		13,266,525	
Paid up			$ 3,739,480
Unclaimed Dividends			5,355
Reserve Fund			2,500,000
Investment Reserve Fund			462,500
Fire and General Insurance Fund			2,633,125
Reserve for Fire and General Claims, admitted or intimated			497,600
Marine Insurance Fund		$5,682,970	
Less dividend on Preference Shares	$ 36,600		
Less Dividend on Pref. Ord. Shares	92,325		
Less Dividend on Ordinary Shares	235,655		
		364,580	
			5,318,385
			$15,156,445
Life Department Funds and outstanding liabilities as per separate Balance Sheet			68,360,880
			$83,517,325

$5.00 is taken as equivalent of £1 sterling.

ASSETS

Investments at cost (as per list)			$ 8,687,765
Freehold Property at cost			637,285
Mortgages on Real Estate and Loans			1,789,955
Cash at Bankers, in hand, and on deposit			1,463,960
Balances due to the Company for premiums and Agents' Balances after deducting Reinsurances, Returns and Creditors			1,300,665
Cost of Businesses acquired plus Extraordinary Expenses		$1,235,405	
Balance brought forward from 1917		1,253,300	
		$2,488,705	
Less written off—			
Premium on Issue of Shares	$ 824,810		
Transfer from Marine Account	500,000		
	$1,324,810		1,163,900
Interest accrued less tax			85,785
Policy Stamps			27,130
			$15,156,445
Life Department Assets, as per separate Balance Sheet			68,360,880
			$83,517,325

AUDITORS' CERTIFICATE AND REPORT

We have audited the Balance Sheet of the Company dated 31st December, 1918, as above set forth, and have obtained all the information and explanations we have required.

The Assets and Liabilities appearing in the Balance Sheet include those which constitute the Funds representing the security of the Policy Holders of the Eagle Insurance Company, the Star Assurance Society, Limited, the Sceptre Life Association and the English and Scottish Law Life Assurance Association. Our audit does not embrace those Funds which have been certified and reported upon by their respective Auditors. The Assets and Liabilities included in respect of sundry other companies taken over during the year are as shown by the respective balance sheets of these companies which have not been included in our audit.

With the exception of the certificate for Rbls. 100,000 Russian 5½% War Loan (costing £5,948-6-9) which is deposited in Russia, we have satisfied ourselves that the investments and cash balances as at 31st December, 1918, were either in the Company's possession or deposited as security. The Stock Exchange securities which are shown in the Balance Sheet at cost have been valued as at 31st December, 1918, by the Company's Brokers, and the depreciation disclosed by such valuation is more than covered by the amount of the Investment Reserve Fund.

We report that, subject to the above observations, we are of opinion that the Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of our information and the explanations given us, and as shown by the books of the Company.

Finsbury Pavement House, E.C.2.
10th April, 1919.

EDWIN GUTHRIE & CO., Auditors.
Chartered Accountants.

Head Office for Canada: BANK OF HAMILTON BLDG., TORONTO

Manager for Canada: J. H. RIDDEL

NO INDICATIONS OF A SAG IN THE STEEL MARKET

Trade is Being Asked For Protection on Future Deliveries

STRIKE IS A FACTOR

Several Nice Tonnages Being Held Up Because of the Labor Troubles—Outlook is Improving.

By A. R. KENNEDY
Editor "Canadian Machinery"

The fact that the steel trade is being asked now for protection of prices for third and fourth quarter deliveries is about as conclusive evidence as could be desired that there is going to be no sag in the price of steel or iron. There are times, of course, when a good sized tonnage comes up for competition, and there are concessions made in order to land the business, but these cases are the exception, and indications point that if there is any change the market will strengthen rather than weaken. This condition is particularly true regarding the business being placed at U.S. mills now, and it has a very direct bearing on the Canadian sitation, and speaks well for the steel group of Canadian securities.

The policy of the selling agents of the steel mills is interesting to note in regard to protecting customers against market changes for deliveries that are billed six months or so in advance. If a man secures a contract for a definite job, the steel trade considers that in that price he has figured on the known price of steel at time he placed the order. He has figured that he can have a profit. If there is a decline the chances are that he would be held to his contract by the steel mills, as they figure that he has already estimated in such a way as to insure him a sufficient porfit on the work. When it comes to putting steel into stock for unknown purposes the mills seem to take a different view, and they will protect their customer by granting him the price ruling on shipment.

Several very nice tonnages are held back now by reason of the strike. One of them is for a lot of no less than 500 tons. But against that the fect remains that there is a good lot of business coming forward. Warehouses and agencies that send orders direct to the mills report that May was the best month of the year, and with anything like a fair chance, June will do better.

Outlook Improving

July and August are generally poor months with the steel mills. For one thing the weather is generally against them, and it looks as though June were coming under the same conditions this year. Working around a blast or open hearth furnace, or in a rolling mill in such weather as has been experienced this week is a hard physical test and one that is generally accompanied by a falling off in production.

The FINANCIAL POST during the week has been sent a number of weekly letters sent out by the steel and iron mills to their various agencies. They are, without a single exception, optimistic in their view, and look for a decided betterment in the volume of business offering. They give definite figures, naming deals that have been put through, and some of them run into large amounts. Export shipments are also looked upon as giving promise of much beter development, and will take care of a large amount of steel.

The very fact that conditions stay in as unsatisfactory a condition as they are, despite all the strike troubles, is very good proof that fundamental business is sound and sane here, and will develop rapidly as soon as labor troubles are settled.

CANADA BREAD

After being out of the trading for a couple of weeks Canada Bread common sold this week at 20 on a few deals, indicating a decline from the last. The preferred at 82 was unchanged.

CANADA CEMENT

Canada Cement was favorably affected by the settlement of labor troubles and sold up to 70, but later reacted a point or so.

DOMINION BRIDGES

For the first time since April Dominion Bridge appeared in the trading this week with sales at 113½ to 115. This is one of the stocks relieved by the removal of the minimums at Montreal.

DOMINION CANNERS

Dominion Canners developed strength this week when the common sold up from 42 to 48, while the preferred strengthened to 91.

MACDONALD

A. Macdonald (Western Grocers) has continued strong this week with sales at 28.

BELL TELEPHONE

[illegible]ion of the new issue of Bell [illegible]s having its effect upon the [illegible] the stock which has sold [illegible] ex-rights while the rights [illegible]ling as low as 3.

IMPROVED POSITION OF NORTH ATLANTIC

Eastern Fisheries Co. Has Pretty Well Wiped Out Its Current Obligations

By Special Representative

HALIFAX.—At the annual meeting of the North Atlantic Fisheries Company, Limited, it developed that the company has been earning a shade over 3 per cent., on its preferred shares of $500,000. This money has been devoted to the payment of obligations and in making a fund for depreciation. Some time ago the company owed a large amount to the bank; there were other heavy floating liabilities and a mortgage of $25,000 on a portion of the real estate. The bank was paid off by the sale of a cold storage branch plant at Port Hawkesbury, which was bought by the Leonard Fisheries Limited. The other liabilities and the mortgage have been paid off by the earnings of the cold storage department.

The situation now is that all the company owes is an item of $1,099, accounts payable, against which there is $12,411 in accounts receivable. The profit and loss account shows the placing to credit of $12,000 for depreciation, making that fund now $27,000.

It should be mentioned in connection with accounts receivable that the statement shows $5,701 reserve for bad and doubtful debts, leaving the net amount $6,710.

It is seven years since this company began business, but it quickly met misfortune. No dividends were ever paid and what it has been doing in recent years, having abandoned its fishing department and operating only the cold storage, has been to seek to pull itself out of a hole. The way this has been accomplished has been somewhat remarkable and to-day the company is much better off than its friends, two or three years ago, thought could be possible.

CANADIAN LOCOMOTIVE

Canadian Locomotive has been one of the strong features of the week, advancing from around 69 at last report to a high of 76½. The company's outlook for motive power orders for the Canadian railways are regarded as being bright. The preferred sold up to 94.

CAN. CONVERTERS SHOWS PROGRESS IN YEAR'S REPORT

Profits of Over 10 Per Cent. Compared With 8.4

NO BANK DEBTS

Liquid Position Improved by Nearly $100,000 — Profits of $254,574

Canadian Converters Company, Ltd. further strengthened during the year ending April 30, 1919, the position it reached last year after the variable fortunes of previous year. Its sales and profits showed a creditable increase over 1918, the latter increasing from $217,316 to $254,574. The amount available for dividends was $176,384 compared with $145,449 last year, which would have allowed a percentage of 10.18, compared with 8.4 per cent. one year ago. The statement that appeared a few months ago in THE FINANCIAL POST from a director, that when Converters last year (August) decided to place the stock on a 5 per cent. dividend basis it was with confidence that never again would a reduction have to be made. The returns this year show more than double the amount required.

The profit and loss account shows that there was a balance for the year of $111,378 compared with $93,444 last year. An adjustment had to be made with the surplus of $373,316 carried over from 1918, as $19,146 was required further for the war tax.

The balance on hand for 1919 was $443,879, compared with $373,316 one year ago.

The profit and loss account for the two years compares as follows:

Profit and Loss Account

	1919	1918
Profits	$254,574	$217,316
Int. Vict. Bonds	2,750	573
	$257,324	$217,889
Less Int. on bonds	23,940	23,940
Less Deprec. res.	27,000	27,000
Less Res. War Tax, etc.	30,000	21,500
Available for div.	$176,384	$145,449
Less. divid.	65,006	52,005
Balance	$111,378	$ 93,444
Carried forward	354,170*	297,207
	$465,548	$390,651
Less Divid. May 15	21,669	17,335
Bal. forward	$443,879	$373,316

*After reduction for 1917 war tax of $19,145.98.

The balance sheet shows a gain of nearly $100,000 in working capital, from $777,405 to $872,060. With no bank indebtedness Victory bonds carried by the company grew from $25,573 to $76,948. The items compare as follows:

Working Capital		
Mdse., store, etc.	$ 605,275	$604,712
Acc. rec.	330,331	215,004
Bills rec.	11,806	23,402
Cash	30,257	20,573
Victory bonds	76,948	25,573
	$1,054,617	$889,264
Current Liabilities		
Acc. pay.	$139,420	$ 75,098
Int. accrued	9,975	9,975
Divid. pay.	21,669	17,335
Wages accrued	11,493	9,451
	$182,557	$111,859
Bal. Work. Capital	$872,060	$777,405

Stock Movements of the Week

Week ending June 5, 1919.

	Ask	Bid	High	Low	Close	Sales	Yield to May 29
Banks—							
Commerce	205	203	204¾	202½	203	53	5.94
Dominion	207	206½	207¼	206½	207	124	5.82
Hamilton	182½	...	182½	281½	182½	2	6.59
Merchants	197	196	197	197	197	147	5.64
Molsons	198	...	198	198	198	3	6.06
Montreal	220	217	218	218	218	5	5.50
Nova Scotia	...	275	276	275	276	31	5.82
Royal	...	213	214	212½	214	81	5.60
Standard	...	213	214	213	214	29	6.13
Union	...	160	161	160	160	2	6.25
Transportation—							
Barcelona	10½	10⅛	10½	10	10	225	....
Brazilian	59⅜	59	60	57½	59	4,706	....
Can. Stmshp, com.	50	49	50½	48½	50¼	1,060	....
Do., pref.	87	86½	87½	84½	86½	2,247	8.23
Can. Pac. Rly.	...	...	167½	167½	167½	200	5.78
Detroit-United	106	105¾	106½	105	105¼	235	7.47
Illinois Trac., pref.	...	...	80	80	80	1	7.50
Montreal Tramw'ys	...	...	114¾	114¾	114¾	2	6.66
Quebec Rly.	...	20	20	19	20	120	....
Toronto Rly.	41	40	40	39½	40	48	....
Twin City	59	58	58	54	58	68	7.54
Telegraph, Light and Power—							
Bell Telephone	120	...	120¾	120¾	120¾	6	6.45
Consumers Gas	151½	...	151½	151	151	31	6.62
Mackay, com.	82	81	81¾	81½	81¾	65	7.40
Do., pref.	...	66	67½	66¼	67½	11	6.06
Montreal L.,H.&P.	90¼	90	90½	90	90¼	1,406	4.44
Shawinigan	...	124½	124½	123	124½	659	5.60
Industrials—							
Ames-Holden, com.	40	37	45	36	42½	365	....
Do., pref.	88	86	90	85⅞	87½	725	....
B.C. Fish, com.	53	49¾	49	49	49	150	10.20
Brompton Plp, cm.	64¾	64½	64¾	60¾	63	7,975	7.93
F. N. Burt, com.	91	...	90	90	90	30	8.88
Do., pref.	...	...	95	95	95	58	7.36
Can. Bread, com.	...	...	20	20	20	10	....
Do., pref.	...	...	82	82	82	2	8.53
Can. C. & Fdy com.	...	31	31½	30	31½	55	....
Do., pref.	91½	91	91½	89	89	240	7.77
Can. Cement, com.	69½	69	70	66	66	1,527	9.09
Do., pref.	101½	...	101½	101	101½	88	6.93
Can. Converters	56	55	56	56	56	10	8.92
Can. Cottons, com.	85	83	84	84	84	5	7.14
Do., pref.	85¾	81	86	85½	86	61	6.97
Can. Found., com.	195	...	193	193	193	75	6.15
Can. Loco., com.	76	75¾	76½	69	75¾	1,260	8.69
Do., pref.	94	93	94	93	94	255	7.60
Can. G. Elec., com.	115	...	114½	114½	114½	22	7.01
Dominion Bridge	114	113	115	113½	114	514	6.50
Dom. Canners com.	45	44¼	45	43	44¼	205	....
Dom. Stl. Corp. cm	68	67½	68	62	67½	18,514	9.67
Dom. Iron, pref.	...	98	99⅛	99	99⅛	20	7.07
Dom. Textile, com.	116	115¾	116½	116	116	371	6.83
Laurentide	224	223	224½	222	222	353	5.35
Lyall Const., com.	69	...	66¾	66	66¾	249	11.42
A. Macdonald	27⅞	27⅝	28	27	27	605	....
Maple L. M., com.	168	167	169½	164	169	889	6.06
Do., pref.	105½	104¾	105	104½	104¾	132	6.73
Mon. Knit., pref.	...	90	90	90	90	20	7.86
N.S. Steel, com.	...	94	97	80	95	3,861	6.49
Do., pref.	...	...	109	109	109	10	7.61
Ogilvie Flour, com.	...	...	260	255	260	197	4.66
Do., pref.	...	...	109	109	109	8	6.42
Ont. Steel, com.	35	33	33	33	33	10	...
Pacific Burt, pref.	...	...	80	79	79	17	9.09
Penmans, com.	...	94½	94½	94	94	70	6.31
Riordon Pulp, com.	127	126¾	129	126	128	375	8.00
Do., pref.	...	...	99	99	99	25	7.07
Wm. A. Rogers, cm.	55	...	50	50	50	25	...
Russell Motor, pref.	90	87	91	91	91	10	7.60
Sawyer-Massey, cm.	15	12½	12	12	12	25	...
Sherwin-Wil., com.	...	...	100	100	100	50	...
Smith Paper, com.	...	72	72	71	72	45	...
Do., pref.	...	86	90	85	85½	120	...
Spanish River, com.	26¾	26	27⅛	26¼	26¼	3,881	...
Do., pref.	104¼	103¾	105	104	104	1,310	...
Steel of Can., com.	69¼	68¾	70	64½	69½	7,785	9.37
Do., pref.	97½	...	98	97	97	95	7.25
St. Law. Fl., com.	111	110	113	108¼	111	1,540	5.55
Do., pref.	97	94	97	97	97	5	7.60
Toke Bros., com.	34	32	36	36	36	15	...
Toronto Paper	...	...	75	75	75	25	8.00
Wabasso Cotton	...	85½	87	87	87	65	7.05
Wayagamack, com.	[illegible]	[illegible]	48	[illegible]	48	180	...

NORTH AMERICAN PULP'S NEW PLANS

Meeting Yesterday Authorizes Big Bond Issue Which Will Permit of Expansion

Radical changes were brought into effect in the relations of the North American Pulp and Paper Company's Trust and its subsidiaries at a meeting held in Montreal at the Ritz-Carlton on Friday of this week when approval was given a plan of financing that it is hoped will place the company in a much more favorable position.

It was proposed to carry out a sale to a syndicate of underwriters of bond houses, headed by a leading French-Canadian bank of $5,500,000 par value of serial gold bonds to be created and issued by the Saguenay Pulp and Power Company. This is secured by stock and bonds of the Chicoutimi Pulp Co., Roberval-Saguenay Railway Co., Saguenay Light and Power Company, and Chicoutimi Port Co., all subsidiaries of the Trust. The proceeds of the sale of these bonds will liquidate the indebtedness of these companies, and will leave $2,000,000 to be distributed in liquid form for their development.

The Saguenay Pulp & Power Co. is a new company created for the purpose of consolidating more readily the securities offered for the bonds, but it will be controlled through its common stock, amounting to $9,500,000, by the North American Pulp & Paper Companies Trust. The preferred shareholders of the latter company will be given the opportunity of exchanging their stock for the preferred stock of the Saguenay Pulp & Power Company.

The advantages of the financing were thus explained to THE FINANCIAL POST by J. E. A. Dubuc, president of North American Pulp.

"This will mean over five millions of real money coming into the company through its subsidiaries. Through this reorganization the Trust secures control of all the companies useful for its development, of which it was only part owner before. The money goes to the subsidiaries, pays all their debts, and leaves a balance of $2,000,000 of liquid assets as working capital.

"This money will enable us to complete the power plant and the new ground-wood mill, which will add a production of 25,000 tons of dry mechanical pulp.

"We will be producing 110,000 tons a year of mechanical pulp, and expect to produce 75,000 tons of sulphite pulp this year. All our ground wood and sulphite pulp have been sold to England and France, and a good part of the tonnage will be supplied by the French Government.

"No new bonds are being created. We are just taking over the unsold bonds of the subsidiary companies on which, before we were getting bank loans, to the extent often of not more than 50 per cent."

The stock this week sold up a little, from 5¾ to 6¼.

AMES-HOLDEN-McCREADY

There has been a smart demand for Ames-Holden-McCready common this week following the dividend action of the preferred stock. The price rose to 45 and then mildly reacted to 42-44. The preferred sold up to 90 and then down to 86.

ASBESTOS CORPORATION

There was a sharp advance in Asbestos Corporation this week to a high of 75, or a gain of over 10 points compared with last week; the bulk of the advance was maintained. The preferred moved up 5 points to 85.

BARCELONA TRACTION

Better news of conditions at Barcelona were brought to the city this week by Dr. H. F. Parshall, of London, England, Consulting Engineer of the Barcelona Traction Company. Dr. Parshall reported that conditions had quieted down considerably, after a general strike involving rioting, assassination and other signs of Bolshevism. Recent quotations have been fractionally easier at 10.

5½% is the rate we pay for money left with us for a fixed period of from three to five years.

Enquire personally or write for booklet

National Trust Company Limited

Capital Paid-up, $1,500,000 Reserve - - $1,500,000

Assets Under Administration, $80,000,000

18-22 King Street East, Toronto

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ROYAL INK COMPANY
11 COLBORNE ST. TORONTO CANADA

City of St. Catharines

$100,000 Serial Debentures

Sealed tenders, endorsed "Tender for City of St. Catharines Debentures," will be received by the undersigned until

8 p.m. Friday, 13th June, 1919

for the purchase of $100,000 debentures issued for Public School purposes, due June 1st in each year, as follows:—

Payable	Amount	Payable	Amount
1920	$5,000	1930	$5,000
1921	5,000	1931	5,000
1922	5,000	1932	5,000
1923	5,000	1933	5,000
1924	5,000	1934	5,000
1925	5,000	1935	5,000
1926	5,000	1936	5,000
1927	5,000	1937	5,000
1928	5,000	1938	5,000
1929	5,000	1939	5,000

The debentures will be issued in coupon form, bearing date June 1st, 1919, and in denominations of $1,000.

They are payable both as to principal and interest at Imperial Bank of Canada, Toronto, and carry interest at the rate of 5½% per annum, payable half-yearly on the 1st of June and December.

Tenders will be received for "all or none."

The right is reserved to reject any or all proposals.

Statement giving full information will be furnished on application.

STUART K. WATT, City Treasurer

City Hall, St. Catharines, Ontario, June 4th, 1919

Government, Municipal and Corporation Bonds

H. R. BRERETON & COMPANY
DOMINION BANK BUILDING
TORONTO - - CANADA
Telephone: Adelaide 801

Equipped to give Helpful Service to Investors

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STROMBERG-CARLSON TELEPHONE MFG. CO.
10 FRONT ST. TORONTO

AN IDEAL SUMMER OUTING

Algonquin Park, 200 miles north of Toronto, and 170 miles west of Ottawa, is known to thousands who have enjoyed the attractions that are offered in this wonderful Government reserve. At an altitude of 2,000 feet above sea level, the air is pure and bracing. Speckled trout, salmon trout and black bass abound in the lakes and streams of this park. The Grand Trunk operate hotels and log cabins in the park. The Highland Inn on Cache Lake, Algonquin Park station, with accommodation for 150 people, opens for the reception of guests this year on June 14th, and Nominigan Camp, on Smoke Lake, with accommodation for 75 people, opens on June 28th.

Indications are that there will be a large influx of Summer visitors to this park this year, and patrons are advised to communicate early and reserve their accommodation for their Summer outing. Handsome illustrated descriptive literature sent free on application to Grand Trunk agent, or C. E. Horning, D.P.A., Toronto, Ontario.

WANTED

A good experienced financial man to take charge of Office Staff in Bond and Debenture Brokerage House in Toronto. One with experience in the Bond business preferred. Apply with references, stating salary required and full particulars of experience, etc. Box 101, Financial Post.

Is This YOUR Young Man ?

There's a young man in Toronto who firmly believes he would prove a good investment for a growing financial concern that needs a hard-working, result-getting chap in its advertising department.

Briefly his specifications are—26 years young, single, in fine physical shape, good habits. Has taught 4 years in one of the largest commercial schools in Toronto. Proved a success. Got results. Has had some newspaper experience. Has been a hard student of advertising; taken both the I.C.S. Course, Shaw C.S. Course; has read most of the best books on the subject; can write fair copy; can put the personal touch in letters. But doesn't think he knows it all. Optimistic, bustling spirit; accustomed to meeting people (but isn't what is generally known as "smooth").

He wants a foothold in your business, where by hard work, perseverance and ability, he can climb to the top. A bigger salary not his object, as he gets a fair salary now. Doesn't expect to get much —at first; but hopes he will be worth a good deal later on.

If hard, steady work will win out, he's willing to work 12 and 15 hours a day, 7 days a week. He'll be a 24-hours-a-day-man on your job. Teaching a large class is no sinecure, so he knows what work is. His Principal calls him a sticker.

He is particularly interested in direct mail advertising; and is making a special study of the correspondence side of business. He thinks he has a few good ideas—perhaps he could help you to get out logical, human appeal letters, in place of paper and ink formality.

He has had no practical experience. But perhaps that would prove an advantage in your case, as he could assimilate your ideas, grasp your methods, and grow up with you, and develop.

That he possesses stamina, grit and go, is proved by his enlisting as a private in 1914; promoted to o..cer's rank in the field; awarded the Military Cross and Bar, Croix de Guerre; saw 4 years active service in France, Gallipoli, Egypt and Macedonia.

Took the Pelman Course in Mind Training while in uniform; his Colonel said he possessed some executive ability, and promoted him.

Will be free July 14, but would like to get in touch with you now, so he could make a month's study of your business, and step in as a "live" one. Will take a special course if necessary.

Doesn't think he's a wonder; but does think that, given a fair trial, he will prove a little better than the average.

If you think you might use him, address Box 2, Financial Post.

Dominion of Canada
City of Montreal
4½ Gold Bonds - $624,000

Sealed Tenders will be received at the office of the City Treasurer for the purchase of the undermentioned securities, viz.:—

$624,000 Gold Bonds, dated 1st of May, 1914, due 1st May, 1954, bearing interest at the rate of 4½% per annum, payable half-yearly, on the 1st November and 1st May, each year.

Principal and interest payable at the City Treasurer's Office, Montreal, or at the Agency of the Bank of Montreal, 64 Wall Street, New York, at the option of holder. Bonds are in the denomination of $1,000 each, with coupons for interest from 1st May, 1919, attached. In addition to the price bid, the purchaser must pay accrued interest from that date.

Every tender must be accompanied by a certified cheque, payable to the City Treasurer, for 1% of the total amount of the bonds.

Tenders must be addressed: City Treasurer, Montreal, Canada, and marked: "Tender for City of Montreal Bonds," and delivered not later than twelve o'clock noon on the third day of July, 1919.

Tenders must be for the whole amount offered. No tender for any part of the issue or for securities not precisely as described above or varying the terms of payment and delivery will be considered. The highest or any bid will not necessarily be accepted.

The City Treasurer reserves the right to tender for this issue on behalf of the City's Sinking Fund.

These bonds are a part of a loan for $730,000, the issue of which was authorized by the Board of Commissioners on the 29th of May, 1914, and of which only $106,000 was delivered.

The loan is authorized by an Act of the Legislature of the Province of Quebec and is issued for the purpose of constructing an underground conduit system in the City of Montreal. A sinking fund is provided to redeem the entire loan at maturity. The bonds are a direct and primary obligation of the City, payable out of its general revenue.

Further information may be obtained on applying to the City Treasurer, City Hall, Montreal.

G. DE SERRES,
City Treasurer.

City Treasurer's Office,
Montreal, May 28th, 1919.

MAINE SEACOAST RESORTS

"Often I think of the beautiful town
That is seated by the sea."

Portland, Maine, throned on the hills overlooking Casco Bay, the brightest gem of the Maine seacoast, is not less charming to-day than when Henry Wadsworth Longfellow, America's best loved poet, went up and down its pleasant streets. The attractions of the wonderful territory surrounding Portland are manifold, there being innumerable natural beauties and cool retreats. Among these the seashore takes pride of place. Among the many favorite resorts for Canadians are Falmouth, Cumberland Foreside, Cape Elizabeth, Willard Beach, Scarboro, Prouts Neck, Old Orchard, Kennebunk and York Beach. Old Orchard is recognized as the finest and safest surf bathing beach in the world. A handsome illustrated descriptive folder, with all information and list of hotels may be had free on application to Grand Trunk ticket agent, or C. E. Horning, D.P.A., Toronto, Ontario.

DOMINION STEEL EARNS 17 PER CENT. ON COMMON STOCK

Very Substantial Profits of $8,768,054 For 1918-19

STOCK JUMPED.

Property Values Up $7,000,000 Reducing Working Capital—Below Two Previous Years But Far Beyond 1916

Although the net earnings of the Dominion Steel Corporation, for the year ending March 31st, 1919, fell $2,263,100 below that of last year, the total being $8,768,054 as compared with $11,030,112, and this in turn comparing with an even higher total for the record year of 1917, namely $12,967,874, there should be little disappointment in the result to the shareholders. Conditions which were partly enforced by the war, partly the result of a return to peace, cut down the aggregate of the company. At the same time the earnings are $1,763,200 ahead of 1916 and nearly $5,200,000 ahead of the year 1915. The amount available for common stock dividend, which is 6 per cent., was 17 per cent. this year as compared with 23.7 per cent. in 1918, and 25.6 per cent. in 1917 and 9.4 per cent. in 1916. This worked out on the basis of a balance of $5,470,468 available for the common dividend, as compared with $7,601,660 in 1918, $8,221,165 in 1917, and $3,015,225 in 1916.

The profit and loss account is given in detail for the past five years at the bottom of this page. In this there will be noticed a deduction for reserve of $9,500,000. Of this $1,000,000 is taken up with contingencies and includes Government taxes for the year. The balance, $8,500,000, is transferred to a new general reserve fund, which the balance sheet shows now amounting to $11,500,000, of which $3,000,000 appeared in last year's balance sheet. The result is that while the balance for the year 1919 was $3,705,094, to which was added a previous balance of $13,754,157, making a total of $17,459,251, from this has been deducted the total mentioned above, $9,500,000, leaving a balance carried forward of $7,959,251.

Cash and Plant Assets

As was to be expected with the large extension going on, and the construction commenced on the new plate mill, a good deal of the liquid assets of the company has been absorbed in property account during the year, so that the working capital naturally shows a decline from $17,703,859 last year to $14,039,836 this year, or a little over $3,600,000. Property account, however, shows an increase from $69,533,446 to $75,509,791, a total increase of nearly $7,000,000. This in itself is almost double the decline in working capital.

Inventories have increased by $1,461,000 during the year, while cash is $675,000 less. In order to carry on construction work, the war loans held by the company have been decreased from $3,617,307 to $1,540,101. For the first time the liabilities show a new item, $2,125,693, carried under the heading "Other accounts payable, including liabilities on construction, and Government taxes for 1918." The rest of the list is much the same. The total liquid assets this year are $19,672,656, and the current liabilities are $5,632,820, as compared with assets of $21,085,204, and liabilities of $3,381,345 last yar. The total working capital at the end of the fiscal year, $14,039,836, compares with $13,131,158 two years ago; $6,951,746, three years ago; $4,273,281, four years ago; and $951,729 at the end of 1912-13. The total assets are $95,910,612, as compared with $90,248,111 last year, a gain of $5,662,501.

The figures of the working capital statement, compare as follows for the two years:

WORKING CAPITAL

Liquid assets—	1919	1918
Inventories	$9,314,602	$7,853,503
Acc. rec.	5,039,479	5,335,886
War loans	1,540,101	3,617,307
Cash	3,603,542	4,278,508
War empl. bal.	174,932	....
	$19,672,656	$21,085,204
Current liab.—		
Accs. pay.	$2,702,237	$2,563,827
Const. liab. and tax	2,125,693	....
Accr. int.	235,925	241,297
Dividends	568,965	576,221
	$5,632,820	$3,381,345
Bal with cap.	$14,039,836	$17,703,859

Stock Jumped on Market

The exact effect of the financial statement on the stock market would be a little difficult to judge. For a long time back many investors have reconciled themselves to the view that "nothing can start iron." It certainly has seemed so, and it was not until Scotia and Steel of Canada on Monday were making runaway fights of it, as compared with "Iron" on the market, that the stock started to show any real signs of a coming rise. Going to 64, it closed at 65¼. On Wednesday, after the shareholders were in possession of the statement, there was a stream of buying, so that for the first time in many months the stock dominated the market. Many thousands of shares changed hands, and by noon a new high, well in advance of any recent figures, had been reached at 67¾, which advanced ¼ point more in the afternoon to 68. Then there was a little reaction, partly due to profit taking, a rather unusual experience for holders of iron, and prices eased to 67¼, although strengthening to 67½ at the end.

Past Year's Record

In 1913 the low for the stock was 37½, and the high 59; in 1914 it dropped to 19 7-8 from a high of 44¾. In 1915 the start was at 20, and it rose to 52¼. In 1916, in the boom, it touched its real high of 82 in December, but was down to 60¼ before the month was over. In 1917 the range was 71⅛ to 52, while in 1918 its range was 55 to 65.

A PUBLIC OFFERING FOR CLIFTON HOTEL

Second Mortgage Bonds at 7 Per Cent. With Bonus of 80 Per Cent. Stock.

Following the conclusion of sale formalities on Monday the Clifton Hotel at Niagara Falls, Ont., was reopened this week under the management of the new owners, the United Hotels Company. The financing in connection with the deal will involve a first mortgage bond issue of $200,000 at five per cent. and a second mortgage issue of $150,000 at seven per cent., which will be offered to the public at par with a bonus of 80 per cent. of stock. Something more than a third of the funds secured through the latter issue will be applied on the purchase and the balance will be used for current capital, including furnishings, equipment, etc. An arrangement with the municipality fixes the assessment on a very favorable basis.

The venture will be followed with considerable interest by both investors and the tourist public. The hotel, which is a fine property located in a commanding position at the brink of the gorge near the Canadian falls, was closed down after the outbreak of the war. It was not a successful venture. It remains to be seen what will be the effect here of that high-class administration which has made a success of United Hotels' propositions throughout the United States, and at Toronto and Hamilton in Canada. There is practically no other first-class hostelry nearer than Buffalo, and the promoters are of the opinion that with good management it can be made a popular tourist and holiday resort situated as it is in close proximity to some of the finest scenic wonders that the world provides.

A meeting of the managers of the various United Hotels throughout the States and Canada is being held today at the Clifton with the idea of enlisting the co-operation of these organizations in advertising the attractions of the new member of the family."

STEEL STOCKS HAVE BEEN IN LIMELIGHT

Scotia Scores New High Marks —Merger Conference Held at Montreal

Scotia common has given the greatest hot weather performance of the week, and its meteoric flight has not yet been sufficiently explained. The street as usual, is full of "mourners" who "could have picked up Scotia common when it was at about fifty." Those who did go in at that level have done well, for on several occasions it has come very close to running up to the three figures. Officials of Scotia and Dominion have been in conference at Montreal, avowedly in regard to submarine areas outside the marked lines.

Nothing in the way of an official announcement will be made by either of the interests concerned, and in all probability, until after the representatives have communicated with their boards of directors, following the conclusion of the negotiations. The Scotia representatives have definite proposals to make to the Dominion Steel Corporation, and until after these are fully known and examined by the latter's executive, nothing of a definite nature regarding the attitude to be adopted will be available. Neither of the representations are possessed of plenary powers, the conferences being simply a series of meetings to ascertain whether or not a basis of negotiation may be reached at a later date. Colonel Cantley, W. D. Ross and D. H. McDougall represent the Scotia interests in the conferences, and William MacMaster, J. H. Plummer and Hector McInnes the Dominion Steel Corporation.

Whether these conferences may lead to other negotiations for a better working agreement is uncertain. At the same time it is significant that the company's accredited representatives have agreed to come to negotiations regarding working rights, and there is no well-known reason why any particular point should be placed now as the spot at which these negotiations shall end.

Steel of Canada.

The week has witnessed heavy buying of steel of Canada common. It is a long time since such a volume of business has been put through. It may be that the favor with which steel securities are regarded in New York has something to do with conditions here. Whatever the reason, Steel of Canada was quick to feel the buying and was an outstanding favorite. A fair response was made in price in answer to the movement, and a gain for the week of some four points has been sustained. Even at 700 Steel of Canada common gives a very good return.

RAILROAD EARNINGS

Gross receipts of the three Canadian Railroads for the fourth period of May totalled $8,728,589, as compared with $7,723,448 for the corresponding period in the previous year, an increase of $1,005,141, or 13 per cent. Following are comparative figures:

	1919	1918	Change	%
C.P.R.	$4,505,000	$4,035,000 +	$ 470,000	11.6
G.T.R.	1,746,105	1,507,723 +	238,382	15.8
C.N.R.	2,477,484	2,180,725 +	296,759	13.6
	$8,728,589	$7,723,448 +	$1,005,141	13.0

UNLISTED SECURITIES

Stocks—	Bid	Ask
Alta. Pac. Grain, com.	122	130
Do., pref.	89	95
Belding-Paul, com.	35	40
Do., pref.	88	95
British-American Assoc.	9	12½
Canada Machinery, com.	23½	29
Do., pref.	50	58.
Do., pref.	50	59
Can. Westinghouse	115	130
Canadian Oil, pref.	46	54
Do., pref.	95	102
Dom. Mfgs. pref.	47	55
Do., com.	9	15
Dom. Power & Trans., com.	47	55
Dunlop Tire, pref.	94	100
Eastern Car, pref.	50	..
Great West Life	220	230
Home Bank	76	83
Illinois Traction, pref.	74	78
Inter. Milling, pref.	88	91
King Edward Hotel, com.	40	55
Loew's, Toronto, com.	124	128
London Loan & Savings	85	105
South Can. Power, com.	19	12½
Wm. Neilson, com.	54	65
Sterling Coal, com.	15	17
Sterling Bank	110	..
Standard Reliance	41	43½
Trust & Guarantee	85	92
Western Assurance	10	15
Whalen Pulp, com.	20	30
Bonds—		
P. Burns (1924), 6s	100	105
Do., (1931), 5s	96	99
Eastern Car, 5s	91	95
Mex. Northern Pow., 5s	12	16
Morrow Screw, 6s	88	92
N.S. Steel Debs., 6s	87	93
Ontario Pulp, 6s	92	94
Sterling Coal, 6s	72½	76
Stone, Limited, 6s	94	98
Toronto Power, 5s	90	93
Tor. & York Radial, 5s.	97	99
Toronto Paper, 6s	86	92
Wes. Canada Power, 5s	57	61

Route Your Shipments
CANADIAN NATIONAL

Five Years' Profit and Loss, Dominion Steel

	1919	1918	1917	1916	1915
Net earnings	$8,768,054	$11,030,112	$12,967,874	$7,004,316	$3,571,058
Deprec., etc.	1,304,322	1,384,241	1,859,595	1,192,823	920,093
Interest	1,013,263	1,064,209	1,230,208	1,590,085	1,651,522
Discount bonds	....	....	326,909	226,181	144,186
Balance	$6,450,468	$ 8,851,660	$9,131,165	$3,995,225	$ 855,256
Pref. div. (corp.)	420,000	420,000	420,000	420,000	420,000
Balance	$6,030,468	$ 8,161,660	$ 9,131,165	$3,575,225	$ 435,256
Pref. div. (subsid.)	560,000	560,000	560,000	560,000	210,000
Balance	$5,470,468	$ 7,601,660	$ 8,571,165	$3,015,225	$ 225,256
Divid. arrears	....	....	350,000	....	....
Balance	$5,470,468	$ 7,601,660	$ 8,221,165	$3,015,225	$ 225,256
Com. divid.	1,765,373	1,444,396	320,997	....	....
Balance	$3,705,094	$ 6,157,264	$ 7,900,188	$3,015,225	$ 225,256
Add prev. balance.	13,754,157	6,038,182	4,037,389	1,022,163	796,907
Total P. & L.	$17,459,251	$12,195,447	$11,937,577	$4,037,389	$1,022,163
Less Bond disc.	....	....	2,899,395	....	....
Balance	$17,459,251	$12,195,447	$ 9,038,182	....	....
Less Reserves	9,500,000	....	3,000,000	....	....
Bal. forward	$ 7,959,251	$12,195,447	$ 6,038,182	$4,037,389	$1,022,163

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NATIONAL CITY BANK BUILDING
NEW YORK

Dominion of Canada
5½%
Victory Bonds

Whether you have $100 or $100,000 for investment, our complete service is at your command.

Our widely established connection enables us to offer unexcelled service to investors.

Our facilities for the purchase and sale of Victory Bonds are worthy special inquiry.

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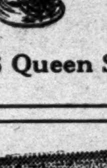

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The man hours saved in your plant in a year with the P. A. X. would overcome the extra outlay for labor, to a surprising extent.
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P. A. X.

Albert. P. Lintz
Agent for Ontario and Quebec
26 Queen St. East, Toronto Main 3014

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TORONTO

Please Ask Questions

If you, as a subscriber to THE FINANCIAL POST, desire information on any Canadian security, or other financial matter, you have the privilege of requesting it from the publishers of THE POST. Enquiries are treated confidentially and are answered by mail. Please enclose stamp for reply.

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Sterling Bank

J. E. CARTER
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Address enquiries to

R. G. DUN & CO.
Dominion Bank Bldg. - Toronto, Can

Tenders for Debentures

SEALED tenders marked "Tenders for Debentures" will be received by the undersigned for the following City of Guelph debentures up to 5 o'clock p.m., June 13th, 1919:—

$68,000 Public School, 30-year instalment, 5½%, payable annually; and

$50,000 15-year, Sinking Fund, at 5½%, payable half-yearly.

Tenderers to state price for each group separately.

The highest or any tender not necessarily accepted.

T. J. MOORE,
City Clerk.

Guelph, Ont.

The Royal Financial Corporation, Vancouver, have been holding a sale of lots in the Strathcona sub-division. About 112 lots were offered.

The Toronto Housing Commission is reported [illegible] buying unimproved land in the ci[illegible] as $19 a foot frontage from [illegible] capitalists who are glad to unload [illegible] price because of the high taxes.

BIGGER PROFIT FOR STANDARD CHEMICAL CO.

Position Improved, But Future is Somewhat Uncertain

PREFERRED DIVIDEND

Three and a Half Per Cent. Paid—Arrears to June Cover Five Years and Amount to Over $1,200,000

The results of the operations of the Standard Chemical Company, for 1918 and the previous three years, have been such that although only 3 1-2 per cent. of the accumulated preferred dividends have been paid, and further payments have been deferred for the time being, the position of the concern has been greatly improved and the future may be faced with considerable confidence. As pointed out by President L. M. Wood, this improvement amounts to about $2,000,000, all factors being considered.

Referring to the company's present position and the future outlook, both as regards business and dividend prospects, President Wood says:

Whilst the discontinuance of the dividends is naturally disappointing to all interested in the company, we are glad to be able to report to the shareholders that the company will enter the post-war competitive era in a substantially improved financial condition. The policy of re-investing earnings in the betterment of the properties which were in a run-down condition at the commencement of the war, and in strengthening our working capital, reducing funded indebtedness and providing reserves, has placed the Company's assets on a particularly sound basis.

While it is difficult to forecast how long the present readjustment period will last, it is generally supposed that within a few months after the declaration of peace normal trade conditions will have been resumed to a considerable extent. Our selling connections in England and France, where a substantial proportion of our products are marketed, are now being re-established.

Increased Profits

The profits for the year amounted to $846,702, compared with $563,123 in 1917, and $696,464 in 1916. Of this sum, after payment of interest and setting aside $150,000 for depreciation, in addition to sums expended from gross earnings on maintenance and betterment, $126,094 was paid in dividends—3 1-2 per cent. on the preferred stock—and $297,012 was devoted to special reserves. The balance, after additional reserves for taxation, was carried forward, increasing the surplus from $154,402 to $311,577. Following are comparative figures:

	1918	1917	1916
Profits	$846,703	$563,123	$696,464
Bal. forward ..	154,402	3,776	5,885
	$1,001,105	$566,899	$702,349
Int. on debs. ..	$ 46,985	$ 53,048	$ 67,588
Int. on bk. loans	43,050	52,712	42,717
Donations	7,461	6,814	5,000
Dep. on bldgs..	150,000	150,972	85,000
Dividends	126,094	......	123,269
Special reserve.	297,012	136,967	375,000
Res. for taxes	-18,925	11,983	......
	$311,577	$154,402	$ 3,775

The special reserves provided were $178,785, "set aside as an additional reserve against inventory of wood on hand," $93,226 "to reduce book value of acetone plant to pre-war basis" and $25,000 "to reduce cost of South River Railway to estimated cost under pre-war conditions." In explanation of these reserves, President Wood says that it is impossible to forecast the future for acetone, and that it is desirable to provide protection against a decline in the selling prices of wood. Further in the latter connection he says:

As regards the present financial position of the company it may be said that the inventories of wood, finished and partly finished products and materials amounting to $1,829,653.63 are valued at prices which should enable us to liquidate them profitably, and production has now been curtailed in order that the abnormal quantity of charcoal on hand at the end of the year may be liquidated.

Current assets have increased during the year from $1,755,873 to $2,384,195, and current liabilities from $985,724 to $1,230,685, so that the working capital is now in excess of $1,100,000, compared with slightly over $500,000 last year. Total assets have risen from $7,426,301 to $7,743,136.

The preferred stock outstanding amounts to $3,602,700, on which to the end of the year, there were arrears for 4 1-2 years, or five years to the end of June 1919, when the obligation will amount to $1,260,945.

IMPORTANT DISCOVERY

Announcement by the General Manager of Consolidated Smelters

Speaking at a banquet tendered President Beatty, of the C.P.R. at Nelson, J. J. Warren, general manager of the Consolidated Mining & Smelting Co., stated that S. G. Blaylock and the metallurgical staff of the company had solved the problem of treating the complex silver-lead zinc ores of the Sullivan mine. The company has been working on this problem for years at its smelter at Trail. It is understood that under the process which has been evolved the silver, lead and zinc values in the ore are reclaimed.

Mr. Warren also announced that he believed the problem of treating the low grade gold copper ores of Rossland had been solved and that he expected soon to see an output from the Rossland mines of between 2,000 and 5,000 tons of ore daily for smelting at Trail. Increased costs of operation practically resulted in a close down at Rossland some months ago. Since that time the company has been developing additional low grade ore bodies and endeavoring to find a profitable method of treatment.

SMALLER PROFITS OF PACIFIC BURT

Common Dividend Was Paid by Drawing Upon Surplus of Earnings.

The fact that operations were carried on under war conditions during most of the year is referred to, evidently in an explanatory way, by President S. J. Moore, of the Pacific-Burt Company in presenting the annual report for the year ending March 31, which shows a decline in profits from $101,551 to $83,743, as compared with the previous year; in the period ending in 1917 the profits were $108,882. Mr. Moore comments further, however, that the results compare favorably with the experience in the industry generally, while the outlook for the future is regarded as good.

The sum of $16,025 was transferred to real estate and plant reserve; $12,552 was written off patents and $5,037 set aside as tax reserve. These sums, added to preferred dividends of $45,500, made a total of $79,114, so that the payment of $13,000 on the common stock—a dividend of 2 per cent.—had the effect of reducing the surplus from $38,026 shown in the previous report to $29,654. Following are comparative figures for the past three years:

	1919	1918	1917
Net profits ...	$ 83,743	$101,551	$108,882
Bal. forward ..	38,026	65,174	29,792
	$121,769	$166,725	$138,674
Pref. div.	$ 45,500	$ 45,500	$ 45,500
Com. div.	13,000	13,000	13,000
Real estate	16,025	15,000	15,000
Tax revenue ..	5,037	5,200	......
Written off ...	12,552	50,000	......
Balance	29,654	38,026	65,174
	$121,769	$166,725	$138,674

MARITIME 'PHONE ASKS BIG INCREASE

Will Need an Advance of 25% in Rates to Meet Higher Operating Costs

By Special Representative

HALIFAX—At last the hearings by the Public Utilities Board on the application of the Maritime Telegraph and Telephone Company for an increase of rates are over and the decision is being awaited. To meet the extra charges on account of salaries and taxes, the company will require an increase sufficient to bring in $187,000 more revenue. To do this the charge on telephones will have to go up about 20 per cent.

An advance was ordered less than a year ago to meet extra costs at that time, for wages, amounting to $100,000. If that be included the total increase will be $287,000, and the telephone service must be made 30 per cent. higher than before the recent advance—that is if dividends are to be paid. Of the $187,000, the sum of $36,000 is new taxes, which have been assessed by the province and municipalities on the company's plant and property and business.

It is a question for the Board of Public Utilities now to assess the new rates, which, it is conceded, will be ordered. The chief increase in costs is for salaries, and this labor is employed largely on the exchanges, rather than on the toll system. It is natural, therefore, that long distance work will escape the heavier part of the higher schedule that is coming and that it will fall chiefly on users of the telephone for local work. It need not be a matter of surprise if those telephones cost 25 per cent. more than at present. The company's average income of $1,000,000 a year must be increased 25 per cent. if it is to get along and pay new salaries and dividends.

MAPLE LEAF MILLING

While trading in the stock of the Maple Leaf Milling Company was somewhat light, compared with the record weeks that are past, there was no evidence of any weakening in the favor in which this stock is held. The assurance that this company has sufficient business in sight to assure it a run for the balance of the year, and the fact that it has not suffered in the strike movement, has apparently increased the impression that the company may be expected to treat its shareholders handsomely this year as has been the custom during the past couple of years.

BROKERS TO BRANCH OUT

Montreal Houses to Establish in Toronto and Hamilton

MONTREAL.—A complete change in the policy of branch office extension is on the eve of taking place between members of the Montreal Stock Exchange and members of the Toronto Stock Exchange. Up to the present time there has been a so-called tacit understanding as regards territory, but the recent marked expansion in the business of the Montreal Stock Exchange has been the determining factor in the plans now being worked out. It is stated that two or three active Montreal brokerage houses are contemplating opening their own branch offices in Toronto and Hamilton, and perhaps in other prominent centres of the Province of Ontario.

DIVIDENDS

Canada Steamships Lines, Limited

NOTICE is hereby given that a dividend of one per cent. (1%) on the Ordinary Shares of the Capital Stock of Canada Steamships Lines, Limited, has been declared, payable June 16th, 1919, to shareholders of record June 2nd.

By Order of the Board.
F. PERCY SMITH,
Secretary.

Montreal, May 13th, 1919.

Dominion Textile Company, Limited

NOTICE OF DIVIDEND

A DIVIDEND of one and three-quarter per cent. (1¾%) on the Preferred Stock of the DOMINION TEXTILE COMPANY, LIMITED, has been declared for the quarter ending 30th JUNE, 1919, payable July 15th to shareholders of record JUNE 30th, 1919.

By Order of the Board.
JAS. H. WEBB,
Secretary-Treasurer.

Montreal, 4th June, 1919.

NIPISSING MINES COMPANY, Ltd.

165 Broadway, New York, May 26th, 1919.

THE Board of Directors has to-day declared a Regular Quarterly Dividend of Five Per Cent. and Five Per Cent extra, payable July 21st, 1919, to shareholders of record as of June 30th, 1919. The Transfer Books will close June 30th, 1919, and re-open July 18th, 1919.

P. C. PFEIFFER, Treasurer.

DOMINION GLASS COMPANY LIMITED

DIVIDEND NOTICE

NOTICE is hereby given that a dividend of one per cent. (1%) has been declared on the COMMON STOCK of Dominion Glass Company, Limited, for the quarter ending the 30th day of June, 1919, payable Tuesday, the 1st day of July, 1919, to Shareholders of record at the close of business Saturday, the 14th day of June, 1919.

By Order of the Board,
MERVYN OFFER,
Secretary.

Montreal, 28th May, 1919.

Barcelona Traction, Light and Power Company, Limited

(Incorporated Under the Laws of the Dominion of Canada)

5½% First Mortgage 50-Year Bonds

NOTICE IS HEREBY GIVEN that in accordance with the reorganization scheme approved at the meeting of the holders of the above bonds, held on the 19th December, 1918, 1% will be paid at any of the undermentioned banks on and after the 2nd June, 1919, in full discharge of the half year's interest on the above bonds, due on the 1st June, 1919, against surrender of Coupon No. 15.

LONDON: Bank of Scotland; BRUSSELS: Banque de Paris et des Pays-Bas, Banque de Bruxelles, Banque d'Outremer, Societe Francaise de Banque et de Depots, Nagelmackers Fils & Cie, Caisse Generale de Reports et de Depots; PARIS: Societe Generale; TORONTO: Canadian Bank of Commerce.

Coupons of the face value of £0:10:0 will, accordingly, entitle holders to receive £0:4:0 in London, Frs. 5.03 in Paris and Brussels, or 97c in Toronto, Canada; and coupons of the face value of £2:10:0 will entitle holders to receive £1:0:0 in London; Frs. 25.16 in Paris and Brussels, or $4.86 2/3 in Toronto, Canada. The above payments are subject to income tax, if payable.

Form of Listing and Declaration of Ownership can be obtained from the above banks. Dated this 31st day of May, 1919.

For BARCELONA TRACTION, LIGHT & POWER COMPANY, LIMITED
R. H. MERRY, Secretary.

Barcelona Traction, Light & Power Company, Limited

(Incorporated under the Laws of the Dominion of Canada).

To the Holders of the 7 Percent Prior Lieu "A" Bonds

NOTICE IS HEREBY GIVEN that the Coupon Number 8 in respect of the interest due and payable on the 1st of June, 1919, on the 7% Prior Lien "A" Bonds of the Company will be paid on and after the 2nd June, 1919, at the Bank of Scotland, 30 Bishopsgate, London, England, and as their Agents, at the Canadian Bank of Commerce, 23 King St., West, Toronto, and at the Agency of the Canadian Bank of Commerce, 16 Exchange Place, New York.

Dated this 29th day of May, 1919.

For Barcelona Traction, Light & Power Company, Limited.

R. H. MERRY,
Secretary.

The Consolidated Mining & Smelting Co. of Canada, Limited

DIVIDEND NO. 33

NOTICE IS HEREBY GIVEN that a Dividend of Two and One-half Per Cent. (2½%) on the paid-up Capital Stock of the Company for the quarter ending June 30th, 1919, being at the rate of Ten Per Cent. per annum, has this day been declared, payable July 2nd, 1919, to shareholders of record at the close of business on the 10th day of June, 1919.

By Order of the Board,
J. KITTO,
Secretary.

Toronto, June 3rd, 1919.

THE CANADIAN CROCKER-WHEELER CO., LIMITED

DIVIDEND NO. 66.

THE Directors of The Canadian Crocker-Wheeler Company, Limited, have declared a One and Three Quarters per cent., (1¾%) dividend on the Preferred Stock of the Company for the three months ending June 30th, 1919, to Shareholders of record, June 20th, 1919. Also a dividend of One and Three Quarters per cent.,(1¾%) on the Common Stock of the Company for three months ending June 30th, 1919, to Shareholders of record June 20th, 1919.

The stock books will be closed from the 20th to the 30th of June, both days inclusive. Cheques will be mailed to Shareholders on June 30th, 1919.

By order of the Board.
L. R. GRIMSHAW,
Secretary-Treasurer.

St. Catharines, June 2nd, 1919.

Dominion Textile Co., LIMITED

Notice of Dividend

A DIVIDEND of two per cent. (2%) on the Common Stock of the DOMINION TEXTILE COMPANY, LIMITED, has been declared for the quarter ending 30th June, 1919, payable July 2nd to shareholders of record June 14th, 1919.

By Order of the Board.
JAS. H. WEBB,
Secretary-Treasurer.

Montreal, 14th May, 1919.

Penmans Limited

DIVIDEND NOTICE

NOTICE is hereby given that the following dividends have been declared this day for the quarter ending July 31st, 1919. One and one-half per cent., (1½%) on the Preferred Stock payable on the 1st day of August to shareholders of record of the 21st day of July 1919, and one and three-quarters per cent. (1¾%) on the Common Stock payable on the 15th day of August to shareholders of record of the 5th day of August 1919

By Order of the Board.
C. B. ROBINSON.
Secretary-Treasurer.

Montreal, Que., May 28, 1919.

TOOKE BROS., LIMITED

PREFERRED STOCK DIVIDEND No. 28

NOTICE is hereby given that a dividend of 1¾% on the Preferred Stock of this Company, has been declared for the quarter ending 31st of May, 1919, payable on the 14th of June to Shareholders of record on the 31st of May.

By Order of the Board.
W. S. BARKER,
Secretary-Treasurer.

Montreal, May 21st, 1919.

The Hamilton Provident and Loan Society

DIVIDEND NO. 96.

NOTICE is hereby given that a Dividend of **Four and one-half** per cent. upon the Capital Stock of this Society (being at the rate of **Nine** per cent. per annum) has been declared for the half year ending June 30th next, and that the same will be payable at the Society's Head Office, Hamilton, Ontario, on and after Wednesday, 2nd July, 1919.

The Transfer Books of the Society will be closed from the 16th to 30th of June next, both days inclusive.

By Order of the Board.
D. M. CAMERON,
Treasurer.

Hamilton, May 30th, 1919.

Brazilian Traction, Light and Power Company Limited

(Incorporated under the Laws of Canada)

PREFERENCE SHARES

NOTICE is hereby given that a quarterly dividend of 1½ per cent. has been declared on the fully-paid Cumulative Preference Shares of the Company, payable on the 1st day of July, 1919, to shareholders of record at the close of business on the 14th day of June, 1919.

J. M. SMITH,
Secretary.

Toronto, Canada, May 31st, 1919.

The Riordon Pulp & Paper Company, Limited

PREFERRED STOCK DIVIDEND NO. 28.

NOTICE is hereby given that a dividend of 1¾% (being at the rate of 7% per annum) on the Preferred Stock of this Company, has been declared payable June 30, 1919, to shareholders of record at the close of business June 20, 1919.

By Order of the Board.
F. B. WHITTET,
Secretary-Treasurer.

Montreal, 31st May, 1919.

DOMINION GLASS COMPAN[Y] LIMITED

DIVIDEND NOTICE

NOTICE is hereby given that a dividend of one and three-quarters per cent. (1¾%) has been declared on the PREFERRED STOCK of Dominion Glass Company, Limited, for the quarter ending the 30th day of June, 1919, payable Tuesday, the 1st day of July, 1919, to shareholders of record at the close of business Saturday, the 14th day of June, 1919.

By Order of the Board,
MERVYN OFFER,
Secretary.

Montreal, 28th May, 1919.

Dividend Notice

CANADIAN GENERAL ELECTRIC CO., LIMITED.

Common Stock Dividend No. 80.

NOTICE is hereby given that a quarterly dividend of two per cent. for three months ending the thirtieth day of June, 1919, being at the rate of eight per cent. per annum has been declared on the Common Stock of the Company.

The above dividend is payable on and after the first day of July, 1919, to Shareholders of record at the close of business on the fourteenth day of June, 1919.

By order of the Board.
J. J. ASHWORTH,
Secretary.

Toronto, May 31st, 1919.

The Bank of Nova Scotia

DIVIDEND NO. 198

NOTICE is hereby given that a Dividend of 4% for the quarter ending June 30th has been declared on $6,500,000 of the Capital Stock of the Bank, and a Dividend of 2 2-3% for the two months ending June 30th has been declared on $3,200,000 of the Capital Stock of the Bank issued May 1st, and that the same will be payable on and after Wednesday, the 2nd day of July next at any of the offices of the Bank.

The Stock Transfer Books will be closed from the 16th to the 30th proximo, inclusive.

By Order of the Board.
H. A. RICHARDSON,
General Manager.

Halifax, N.S., May 20th, 1919.

Atlantic Sugar Refineries Limited

NOTICE is hereby given that a dividend of one and three-quarters per cent. (1¾%) on the Preferred Shares of the Capital Stock of Atlantic Sugar Refineries, Limited, has been declared, payable July 2nd, 1919, to shareholders of record of June 12th.

By Order of the Board,
S. J. LeHURAY,
Secretary.

Montreal, May 30th, 1919.

HOLLINGER CONSOLIDATED GOLD MINES LIMITED

(No Personal Liability)

Dividend No. 66.

A DIVIDEND of 1% upon the outstanding capital stock has been declared payable 17th June, 1919, on which date cheques will be mailed to shareholders of record at the close of business on 7th June, 1919.

D. A. DUNLAP,
Treasurer.

Dated May 31st, 1919.

The Sherwin-Williams Co. of Canada Limited.

NOTICE is hereby given that the Thirty-second quarterly dividend of One and Three-quarters per cent (1¾%) being at the rate of Seven per cent. (7%) per annum, for the quarter ending June 15th, 1919, upon the Preferred Stock of the Company, has been declared, payable to Shareholders of record the Fifteenth day of June, 1919, and that cheque will be mailed on June 30th, 1919.

Books not closed.

By Order of the Board.
J. H. GORDON,
Secretary-Treasurer.

Montreal, May 26th, 1919.

Ames-Holden-McCready LIMITED

NOTICE is hereby given that a dividend of one and three-quarters per cent. (1¾%) on the Preferred Shares of the Capital Stock of Ames-Holden-McCready, Limited, has been declared, payable July 2nd, 1919, to shareholders of record of June 12th.

By Order of the Board,
S. J. LeHURAY,
Secretary.

Montreal, May 30th, 1919.

The Wabasso Cotton Company, Limited

DIVIDEND NO. 6.

NOTICE is hereby given that a quarterly Dividend of 1¼ per cent. has been declared on the Capital Stock, of the Company fo rthe quarter ending June 30th, 1919, payable July 2nd, 1919, to shareholders of record at the close of business on June 13th, 1919.

By Order of the Board.
S. B. CAYFORD,
Secretary.

Montreal, 8th May, 1919.

ESTABLISHED 1875

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PELEG HOWLAND, President W. MOFFAT, General Manager

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THE BANK OF NOVA SCOTIA

INCORPORATED 1832

Capital, - - - - -	$ 9,700,000
Reserve Fund and Undivided Profits, over	18,000,000
Total Assets, over - - -	220,000,000

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H. A. Richardson, General Manager

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	($5=£1.)
Subscribed Capital	$172,144,000
Uncalled Capital	136,281,000
Paid-up Capital and Reserve Fund	71,726,000
Deposits	$1,674,492,000
Cash in hand and at Bank of England	318,780,000
Money at Call and at Short Notice	329,045,000
Investments	308,003,000
Bills of Exchange	196,246,000
Advances on Current and other Accounts	496,068,000
Advances on War Loans	71,091,000

Overseas Branch: 65 & 66, Old Broad Street, E.C. 2.

Sir EDWARD H. HOLDEN, Bart., Chairman

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THE TRUSTS AND GUARANTEE COMPANY LIMITED
BRANTFORD TORONTO CALGARY
JAMES J. WARREN, PRESIDENT
E. B. STOCKDALE, GENERAL MANAGER

MUSKOKA LAKES THIS YEAR

It is gratifying to learn that the prospects are for a bumper season in Muskoka this year, and which is indicated by the many applications that have been received by the hotels in that district up to the present. The entire fleet of steamers that was operated in this district in pre-war days will be in commission this year. The summer cottages are being taken up very quickly and reservations at the hotels are large. Those desiring to secure rooms should apply promptly. For handsome illustrated literature, list of hotels and full particulars apply to Grand Trunk agent or C. E. Horning, D.P.A., Toronto, Ont.

MONEY BANKING AND EXCHANGE

BANK CLEARINGS ARE 18.4% AHEAD OF LAST YEAR

In the East the Gain is 19.5% and in the West 7.1%

ONE CITY LOWER

Kitchener Shows Largest Percentage Gain in East and New Westminster in West—Montreal Gains 36.8%

Bank clearings from eighteen cities reporting for the week ending Thursday last show a total of $241,321,713 as compared with $205,719,726 for the corresponding period in the previous year, an increase of $37,601,987, or 18.4 per cent. The total in the East is $223,189,883, a gain of $36,388,694, or 19.5 per cent., while in the West the total for the five cities reporting is $18,131,830, an increase of $1,213,293, or 7.1 per cent. Halifax is the only city to show a falling off. Montreal, with total clearings for the week amounting to $118,334,704, shows a gain of $31,835,908, or 36.8 per cent. Toronto with a total of $68,924,529, shows an increase of $3,269,057, or 4.9 per cent. New Westminster shows a gain of 33 per cent., and Medicine Hat a gain of 29.9 per cent. Following are comparative figures for the week:

WEEKLY BANK CLEARINGS
(In comparison with same week last year.)

Eastern Cities	June 5, 1919		Change	%
Montreal	$ 118,334,704	+	$ 31,835,908	36.8
Toronto	68,924,529	+	3,269,057	4.9
Ottawa	10,489,242	+	2,084,789	24.8
Hamilton	5,423,192	+	641,311	13.4
Quebec	5,723,774	+	1,042,018	22.2
Halifax	4,883,136	—	3,745,333	43.4
London	3,130,830	+	282,330	9.9
St. John	2,427,506	+	328,033	15.6
Brantford	1,018,434	+	64,598	6.7
Peterboro	780,471	+	110,546	16.5
Sherbrooke ..	1,022,795	+	175,356	20.6
Kitchener	1,031,270	+	300,081	41.0
Total East. ...	$ 223,189,883	+	$ 36,388,694	19.5

Western Cities	June 5, 1919		Change	%
Vancouver	$ 10,177,212	+	$ 326,623	3.3
Regina	3,590,989	+	456,416	14.5
Saskatoon	1,863,749	+	88,983	5.0
Moose Jaw ...	1,436,877	+	87,977	6.5
N. Westminster	536,649	+	132,149	33.0
Medicine Hat .	526,354	+	121,145	29.9
Total, West. ..	$ 18,131,830	+	$ 1,213,293	7.1
Grand Total ..	$ 241,321,713	+	$ 37,601,987	18.4
Yr. to date...	$5,630,254,233	+	$554,316,575	10.9
Pr. Albert	326,540			

MONTHLY BANK CLEARINGS
(In comparison with same month last year.)

Eastern Cities	May, 1919		Change	%
Montreal	$ 567,107,183	+	$177,600,923	45.6
Toronto	354,112,122	+	48,907,526	16.0
Ottawa	44,624,476	+	16,196,901	57.8
Hamilton	23,896,245	+	1,421,917	6.[illegible]
Halifax	30,105,291	+	12,011,316	66.7
London	13,561,006	+	2,732,881	25.2
St. John	12,967,596	+	3,225,518	33.1
Brantford	4,315,546	—	51,229	1.1
Peterboro	3,356,353	+	165,445	5.1
Sherbrooke ..	4,205,733	+	20,742	.4
Kitchener	3,970,127	+	1,023,555	34.8
Windsor	6,973,716	+	1,181,840	20.4
Total, East. ..	$1,069,195,344	+	$264,437,335	32.8

Western Cities	May, 1919		Change	%
Vancouver	$ 50,903,919	+	$ 7,196,988	16.4
Victoria	9,464,188	+	670,661	7.6
Regina	15,627,585	+	1,947,209	14.3
Saskatoon	8,471,522	+	1,113,343	15.1
Moose Jaw ...	6,186,385	+	609,112	10.9
Brandon	2,218,442	+	38,598	1.7
N. Westminster	2,503,206	+	513,492	25.8
Medicine Hat	2,101,864	+	223,438	11.9
Total, West. .$.	97,477,111	+	$ 12,312,841	14.4
Grand Total .	$1,166,672,455	+	$276,750,176	31.1

MARKET FOR FUNDS STEADY

Rate Does Not Move Either Way Very Far, Though Supply is Larger

The market for New York funds has been fairly broad during the week with larger amounts coming out on offer. However, the rate does not shift far in either direction, buying orders increasing the moment there is any sign of a weakening in quotations. The following has been the record for the week:

May 30—Funds opened at 2 23-32 per cent., which was the nominal rate all day.

May 31—Funds sold at 2 23-32 each way.

June 2—Opened 2¾ bid and sold at 2 13-16 to buyer.

June 4—Opened 2 13-16 bid and sold at this rate each way.

June 5—Sold at 2 13-16 to buyer and seller and closed 2 25-32 to seller.

June 6—Sold at 2 13-16 to buyer and seller and 2 27-32 to buyer.

Sterling has been somewhat weaker, while francs have continued their downward movement. The resumption of gold shipments by Great Britain from Ottawa to New York has apparently had no effect on the sterling rate. Possibly later on this movement may tend to strengthen the rate. Recent shipments of gold, aggregating about $50,000,000, are the first made since early in 1917. The opening rates on sterling and francs have been as follows:

	Sterling Demand	Sterling Cables	Francs Demand	Francs Cables
May 31	4.63 3-16	4.64 3-16	6.32	6.30
June 2	4.63	4.64	6.28	6.36
June 4	4.61¾	4.62¾	6.44½	6.42½
June 5	4.62	4.63	6.50	6.48
June 6	4.61⅞	4.62⅞	6.50	6.48

COMMERCE

Branches of the Canadian Bank of Commerce, have been opened at the following points:

Hatzie, B.C.—Sub-agency to Mission City. Matsqui, B.C.—Sub-agency to Mission City.

HOME

H. D. A. McKenzie, whose death occurred recently in Scotland, was for many years manager of the Melbourne branch of the Home Bank. Mr. McKenzie, who was born in the Western Highlands of Scotland, early in life entered the banking business in Scotland and after receiving a thorough training there, came to Canada and joined the service of the Home Bank in November, 1906, as ledgerkeeper, at the Church Street branch, Toronto. In July, 1909, he was appointed manager of the branch at Melbourne.

MERCHANTS

Mr. Gladhill, of the Chatham branch of the Merchants Bank, has been transferred to the branch at Lansdowne.

STANDARD

George L. Hall, a former member of the Tillsonburg branch of the Standard Bank, has been appointed manager of the branch at Bowmanville.

NOVA SCOTIA

The Bank of Nova Scotia announces the opening of the following branches:—Galt, Ont., under the management of T. R. Jones; opened May 27th. Toronto, corner of Danforth and Greenwood avenues; J. P. Henderson has assumed charge under the supervision of the Danforth & Pape manager: opened May 22nd. Western Bay, Nfld., under the temporary management of J. T. Steeves; opened May 27th.

A. T. L. Williamson, formerly of the Bank of Ottawa, Vancouver, has been appointed Manager of the branch at Queen and McCaul streets, Toronto.

ROYAL

The following staff apointments are announced by the Royal Bank of Canada: B. C. Stone to be manager of Toronto, Cedarvale branch; R. M. Wilson, manager of Toronto, Gerrard and Jones branch; A. J. Kelly, manager at Iroquois Falls; J. L. Gauthier, manager of Quebec, St. Sauveur branch; P. J. Clarkin, manager Harbour Buffett, Nfld.

C. P. Freeman, formerly manager of the Inwood, Ont., branch of the Royal Bank, has been transferred to the branch at Port Dover, Ont., to succeed R. A. O. Hobbs, as manager.

J. G. Boyd, who recently returned from overseas, and who was formerly with the Royal Bank, has been appointed to a position in the branch of the bank in Cuba.

Norman Allingham, formerly accountant in the Glencoe branch of the Royal Bank, has been transferred to the branch of the bank at Vladivostock, Siberia.

DOMINION

A branch of the Dominion Bank has been opened at the corner of Bloor Street and Runnymede Road, Toronto.

Lieut. John M. Ferguson, recently returned from France, has been appointed manager of the Dominion Bank at Brantford.

STERLING

R. M. Hammond, has been appointed manager of the new branch of the Sterling Bank, recently opened at Hawkestone, Ont.

J. H. Biggins, who recently returned from overseas, has been appointed teller in the branch at Hawkestone.

INCREASED CAPITAL OF MERCHANTS BANK

Authority Given at Annual Meeting to Increase Stock to $15,000,000

MONTREAL.—Authorization was given at the annual meeting of the shareholders of the Merchants Bank of Canada to increase the capital stock of the institution from $10,000,000 to $15,000,000 by the creation of 50,000 new shares of the par value of $100 each. It was explained by the president, Sir Montagu Allan, that there is no present intention to issue the new stock in the near future, but that the directors thought it in the best interests of the bank to make provisions well in advance of possible or probable requirements.

Sir Montagu Allan presided at the meeting after an absence overseas of four years, the Merchants Bank president having been engaged in important war work since shortly after the commencement of hostilities. He was given an enthusiastic welcome by his colleagues on the board and by the shareholders present at the meeting. Sir Montagu paid an appreciative tribute to the splendid work done in his absence by the vice-president, K. W. Blackwell.

The general manager, D. C. Macarow, reviewing the results of the year and the excellent progress of the bank, also dwelt upon the post-war problems facing the Dominion, expressing himself as optimistic that the Canadian people would face and solve these. The proceedings are fully reviewed elsewhere in this issue.

Scandinavian bankers and merchants are investing in high grade securities and acceptances rediscountable at Federal Reserve banks rather than convert balances into own funds which are selling at a discount, after having been at premium during war period.

OUTLOOK NOW IS BECOMING MORE SETTLED

Continued from page 1.

early part of the week was characterized by the effect of strike talk in the mining camps. However, by the middle of the week this situation showed improvement and stocks that had reacted because of the fear of trouble, evinced strength and again began to advance. Buying orders became more plentiful especially for the securities of the established producing mines.

The Volume of Trading

Commenting on the immense volume of trading recorded in New York during the month of May, Spencer, Trask & Co., in their latest market letter, say:—

"While these figures may chiefly interest those of a statistical bent of mind, they are after all only in harmony with the increased size of financial operations generally, in which billions are now as commonplace as were millions formerly. Consequently, the mere fact that higher records for trading are being made is not in itself any sound argument for belief that it marks the high-water of the present wave of activity. The volume of credit is materially greater; the number of the stocks traded in is much larger; and the number of persons interested in the markets has grown enormously of late years. Beyond this, the business outlook for years to come is considered so good that the inevitable discounting process, so customary in Wall Street, is in full swing. Also the great fundamental fact is being more and more widely recognized that the world is short of goods and credit, and that we are the only nation able to supply both on a large scale. As matters stand, these two elements must hang together, as production without ability to finance would be an aggravation rather than a help."

High Prices Assured

An optimistic note is sounded by the Guaranty Trust Co., who look for the maintenance of high prices:

"There is a marked improvement in general trade and industrial conditions. The expectation is that this tendency will gain strength, now that the last of the war loans has been floated and the terms upon which peace with Germany will be concluded are known. A primary factor in the improving situation is the growing conviction that the general level of prices will be maintained for a considerable period. Not all observers and students of the problem agree that prices are on a permanently higher level, but it is believed that they will be maintained at present levels suffiently long to permit important commitments to be made with safety. An encouraging feature of the business outlook is a good buying movement both in wholesale and retail spheres. From all accounts the absorption of men discharged from military service is continuing satisfactorily."

NO ENTHUSIASM OVER THE BUDGET SHOWN AT OTTAWA

Continued from page 1.

also, but does not see that any provision has been made for that purpose.

Some of the Western men in the lobby last night were asking White for elucidation of the tariff provisions, having the idea that the reduction on implements was about 12½ per cent. in addition to the removal of the war tax. He quickly and abruptly dispelled that illusion and added that any further reductions would destroy the manufacturing industry. As the average net reduction on implements is only about four per cent., and binders and mowers have not been reduced at all, the West claims that, as Michael Clark expresses it to me, it is only a drop in the bucket.

Nevertheless the fact that Canada is confronted with an expenditure this year of six hundred and twenty millions, with a visible revenue of only two hundred and eighty, makes the position of a finance minister trying to raise revenue very hard. The tariff changes proposed mean a loss in revenue of nearly twenty-five millions. Direct taxation has been increased to a par with the United States, and only a little less than that of Great Britain, and, as Breadner points out to those who go to him for light, there are not enough big incomes in Canada to stand very much of this sort of thing.

Caucuses and the debate, which opens on Monday with McMaster as financial critic of the Opposition, will develop opinion further. The conflicting elements may be partially reconciled, but the West is not likely to recede from its present position of dissatisfaction.

BANK STOCK CHANGES

	Last May 29	Sales June 5	Ch'ge
Commerce	203½	202½	— 1
Dominion	206	207	+ 1
Hamilton	182	182½	+ ½
Imperial	197	200	+ 3
Merchants	195½	197	+ 1½
Molsons	197¼	198	+ ¾
Montreal	219¾	217	— 2¾
Nova Scotia	275	276	+ 1
Royal	213½	214	+ ½
Standard	*212	214	+ 2
Union	*160	160	...

*Last previous sale.

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Established 1837. Incorporated 1880
CAPITAL—
AUTHORIZED AND ISSUED. £6,000,000

Paid-up Capital £2,000,000
Res. Fd. £2,050,000 Together £4,050,000
Res. Liab. of Proprietors .. £4,000,000
Total Capital and Reserve £8,050,000

Head Office: 71 Cornhill, London, E.C. 3

The Bank Has 181 Branches, viz:

In Victoria	41
In New South Wales......	39
In Queensland	19
In South Australia	14
In Western Australia....	21
In Tasmania	3
And in NEW ZEALAND..	44

Drafts upon these Branches are issued by the Head Office and may be obtained from the Bank's Agents throughout the world. Commercial and Circular Travelling Credits issued—available throughout the world. Cable Transfers are also made. Bills on the Australian States and Dominion of New Zealand are purchased or sent for collection.

Canada Permanent Mortgage Corporation

QUARTERLY DIVIDEND

NOTICE is hereby given that a Dividend of TWO and ONE-HALF PER CENT. for the current quarter, being at the rate of

TEN PER CENT. PER ANNUM

on the paid-up Capital Stock of the Corporation, has been declared, and that the same will be payable

WEDNESDAY, THE SECOND DAY OF JULY

next, to Shareholders of record at the close of business on the Fourteenth day of June.

By Order of the Board.

GEO. H. SMITH,
Assistant General Manager

Toronto, May 28th, 1919.

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MONTREAL WINNIPEG

THE

Toronto General Trusts Corporation

DIVIDEND NO. 92.

NOTICE IS HEREBY GIVEN that a Dividend of Two and One-half per cent. (2½%) has been declared upon the paid-up Capital Stock of this Corporation for the quarter ending the 30th of June, 1919, being at the rate of Ten per cent. (10%) per annum, and that the same will be payable on and after the 2nd day of July, 1919, and that a Bonus of 1% has been declared upon the said Capital Stock payable at the same time as the said Dividend.

The Transfer Books of the Corporation will be closed from Friday, the 20th of June, to Monday the 30th of June, both days inclusive.

By Order of the Board.

A. D. LANGMUIR,
General Manager.

Toronto, June 6, 1919.

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DENOMINATIONS—$100, $500

Value of property estimated by experts $775,000
Net earnings available for bond interest 41,715
(Nearly twice the interest on $450,000 at 6% per annum)

TRUSTEE—The Montreal Trust Co.

LEGALITY—MM. Kavanagh, Lajoie & Lacoste and MM. Rainville & Rainville, Advocates, have passed and approved of the legality of this issue.

Trust deeds have been passed before Mtre. Victor Morin, N.P.

SINKING FUND—The trust deed provides for the creation of a sinking fund to redeem a substantial amount of the bonds during the life time of the issue.

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NEWS AND VIEWS FOR MANAGERS

SOME WESTERN IDEAS REGARDING BANK REFORMS

Bank Official Replies to Writer in the Canadian Nation

DEPOSITORS INTERESTS

Have First Consideration in Policy of Canadian Banks—No Ground for Charge That Funds Are Regarded as Bank Property

The Canadian Nation, published at Calgary, has put an oar into the discussion of the banking system and the views expressed, like so many others held in Western Canada, give an effective opportunity to present the case for the Canadian banks. I have submitted the observations of the Calgary publication to a head office bank official who has contributed the article which appears below.—J. W. T.

The Canadian Nation, "a national journal devoted to constructive Canadian thought" in a plea setting forth "the necessity for banking reform" in Canada, states:

"Canadian banks have established a record for safety which has been equalled seldom and never surpassed in any other country, but safety, while important and not to be sacrificed upon any consideration, is not the only requirement."

The man who writes a constructive criticism and who makes the drastic statement that safety is not the paramount consideration in our banking system immediately burns his bridges behind him. If Canadians may no longer have a complete sense of confidence, bred from a knowledge of the absolute security of our banks, then our whole financial fabric crumbles. "Safety while important is not the only requirement" says this writer.

Are we Canadians to revert to the money belt which the foreigner wears? The immigrant from Russia mayhap knows nothing of that great sense of utmost security which every Canadian inherently feels toward the banking institutions of his Dominion. The Russian carries his funds on his person because he has not learned to trust the banks. His distrust was bred in a country where "safety was not the only requirement."

The Protected Depositor

The banks of Canada have established a record for safety of which they are justly jealous. The poorest man in the community trusts his hard earned savings to the banks with every feeling of confidence and security. Were our banking system other than it is and less sound, fundamentally, he might not be so confident of his banker. He knows that by the Canadian Bank Act his deposited dollars are fully protected. The owners, the shareholders, of the bank with which he does business are pledged by the double liability clause attached to their shares, their capital stock, to pay dollar for dollar, that his savings may be returned to him in the event of the bank going into liquidation.

With a full knowledge of the Canadian Bank Act, what right has the Canadian Nation to make the wholly irresponsible statement that "the banks have come to believe that the money which they use is their own private property and that they have no obligation to the public?"

Sense of Responsibility

Canadian bankers have a keen sense of their responsibility and their trust. The very record of safety which the Canadian Nation admits our banks have won is sufficient testimony of the sense of responsibility which our bankers feel both towards the public and depositors.

The stability of our banking institutions in Canada was fully demonstrated when war broke out in 1914. Not a Canadian bank closed its doors. Not a dollar of the public trust funds in any bank in the Dominion was lost. The principle that our bankers are carrying on a business as a trust for the people of Canada has been recognized by them.

One Honest Criticism

The one honest criticism which may be hurled at our bankers to-day, as in the past, is that they are ultra-conservative in their operations, overcautious in the lending of funds. This ultra-conservative attitude has arisen through a complete recognition of the fact that "they are carrying on business as a trust for the people of Canada." When a man handles trust funds he cannot afford to be other than cautious, conservative. A man may fritter away his own funds, but not his neighbor's.

The Canadian Nation pleads for local banks through the West. The province of Ontario, for an example within Canada, has has a full experience with community banks. Prior to 1898 there were 160 private banks in Ontario. To-day there are 15 or 16. These banks were functioning much as the local banks throughout the United States; accepting funds for deposit and making loans, lending at high rates too. Many sold out to the chartered institutions because they could not compete on lending rates; many more failed with heavy losses to depositors. The small bank cannot be expected to live under all the conditions which the well-entrenched banking institutions may weather successfully.

Not Making Expenses

Many small branches of our Canadian banks, particularly those at outlying points in the prairie provinces, are not making expenses. But these branches are maintained by head office—often the much railed at head office in the east—to be of service to the community in which they are located. Under this circumstance what would be the fate of the local bank with no parent institution?

The Canadian Nation pleading for local banks has no remembrance of the experience in the neighboring United States, of which it cites examples, of the panic years of 1893 and 1907. The latter collapse was so utter that not only was it virtually impossible for farmers to obtain local loans but men with savings in New York and Chicago met with difficulty in withdrawing their funds when more than $50 was needed. But the banks of Canada maintained their enviable record, a record built upon safety.

In Neighboring States

Two large sized Canadian institutions crashed in the 1907 money panic, the Ontario Bank and the Sovereign Bank, but not one dollar was lost to depositors. Against this take the record of the State of North Dakota, which borders on Alberta and Saskatchewan. Since 1893 in seven bank failures depositors have lost $310,000.

Within the last few months a chain of fourteen banks in Minnesota closed. These banks had an aggregate capital of $176,000, with deposits of $1,440,000. The men in control of these failed banks had planned to enter the province of Manitoba, having obtained a charter for the North American Finance Co.

It has been said from time to time that this agitation for local banks in the Canadian West has been inspired from interests identified with local banks in the United States. It is possble that the very men concerned with the Minnesota local banks that cashed in were sponsors for the movement in Canada.

The "Canadian Nation" of course acknowledges no foreign inspiration for its reforms. The "Canadian Nation" in its "constructive" criticism is actuated only by a sincere purpose. Anyone may see immediately that it is constructive, not carping.—J.H.H.

HOW BANKS ARE CO-OPERATING IN FOREIGN TRADE

Progressive Methods to Meet the New Business Conditions

AMERICAN HINTS

Head of Foreign Banking Corporation Tells of Practical Methods of Serving Exporters

That it is up to Canadian banks to co-operate with Canadian manufacturers in securing export business—and that there are plenty of orders available in Britain, Europe and outlying British Dominions—is the frank statement of Lloyd Harris, head of the Canadian Trade Mission in Europe, who has returned to Canada for a few weeks. That the banks are alive to the possibilities of the situation is indicated by the establishment of new foregn connections and the opening of branch offices at New York, Paris and other points where international business may be negotiated.

The problems in connection with the financing of export trade are largely those of head office officials, but they also have an interest for the branch managers, particularly those in industrial cities and towns. Attention, therefore, may be given to the following advice regarding banking service to exporters by E. Fleischmann, vice-president of the American Foreign Banking Corporation, New York.

I. During the war shipments have been mostly financed by dollar credits available in New York; in other words, the foreign buyer established, through his bank correspondent in New York, dollar credits available at sight in favor of the exporting firm against presentation of documents.

II. Conditions now are different, and the exporter has to grant long time credits. It is, however, to his interest to get paid as soon as he parts with his goods, as he cannot afford to have his funds tied up for any length of time, and is anxious to have as large a turnover on his capital as he possibly can. The best way to assist him is by negotiating sight or time drafts with shipping documents attached, drawn on his buyers abroad, and, if the shipper is of good standing and the buyers' reputation satisfactory, there is no difficulty in getting his banks to discount these drafts and thus being reimbursed for his outlay.

III. Though it is not apparent on the face of the draft, the charges for discounting are usually paid by the foreign buyer, because it is he who actually receives time accommodation; that means he need not pay immediate cash. He is quite willing to pay for this, particularly about 150 days, that is 30 days for the time consumed to reach Buenos Aires, 90 days for the term of draft (as the buyer only pays 90 days after presentation of the draft) and 30 days until cover for the drafts has reached New York. He will have to add the bank's usual collection charges say ¼ per cent, or $2.50 on $1,000, plus interest say at 6 per cent. for 150 days amounting to $25, so that the draft drawn by the seller in New York would have to be for $1,027.50, which, in South America, where rates are high and local banks would charge borrowers accordingly. The local importer who buys from American manufacturers on a cash basis would therefore have to borrow money from his local bank at a very high rate, but, if he can secure credit from his sellers through the use of time drafts, he obtains credit on the prevailing lower New York rate at which the discounting bank advanced the money. This is best illustrated in the following way:

In drawing his 90 days sight draft the exporter who sells goods, say, to Buenos Aires, and, assuming his invoice including insurance and shipping charges, amounts to $1,000, would have to include when discounted in New York would net exactly $1,000, the amount he wanted for his goods.

IV. In trading with the Far East drafts generally bear the colonial clause "Payable with interest at 6 per cent. per annum from date of issue to approximate date of arrival of cover in New York," in which case the exporter gets the face amount of his drafts and the drawee namely, the buyer, pays interest charges.

V. In many cases shippers desire to ship their goods to their agents abroad on consignment with the understanding to sell after arrival. The transaction has therefore to be entirely financed by the shipper as he cannot draw any drafts, the goods being unsold. The shipper would, in this instance, require his New York bank to accept 90 days sight draft for say about 80 per cent. of the value of the goods, and having discounted, the draft would put the proceeds to the credit of the exporter. The New York bank would send the documents to its correspondent overseas, with instructions to hand either the documents or warehouse receipts to the shippers' agents against trust receipt or as soon as the merchandise is sold to the buyer against payment of the invoice amount. This amount is then remitted to New York in payment of the "acceptances."

VI. In the last few months a great many attractive business proposals have been received here from countries recently at war, and if they materialize, they will be of great profit to our various industries. The chief obstacle, however, has been that these countries, Roumania, Italy, Greece, Serbia, Czecho-Slovakia, who want our goods, cannot export for a long time to this country and they have only securities to offer in payment which have no market here or are unknown to our people. The question, therefore, arises how the necessary credits can be established. Fortunately, our banks are preparing to overcome these difficulties through the formation of foreign investment corporations which will absorb that class of security. The co-operation and support of our Government, however, is necessary, and if we act promptly there will be no difficulty in securing valuable contracts for the opening of new fields to our exporters.

Conditions in our banking system naturally differ in many respects from those prevailing in the United States, but I think that at this time the foregoing summary will be of interest to many Canadian bankers.—J. W. T.

Ready Cash For The Business

Would your business be kept going as usual if you were not here to look after it? Would its credit be shaken and its value be reduced? Would your family be able to carry it on or sell it without suffering a great loss?

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143-153 University Avenue, Toronto.

MONTREAL, Southam Building, 128 Bleury St., M. Foster; WINNIPEG, 1207 Union Trust Building, C. W. Byers; BOSTON, 734 Old South Bldg., C. L. Morton; NEW YORK, Room 620, 111 Broadway, R. B. Huestis; CHICAGO, Room 1401 Lytton Bldg., 14 E. Jackson St., A. H. Byrne; GREAT BRITAIN—London, The MacLean Co., of Great Britain, Ltd., 88 Fleet St., E.C., E. J. Dodd, Director.

TORONTO, JUNE 7, 1919

IS THE PUBLIC DISHONEST?

IN their individual affairs nine out of every ten people are honest. That is the basis of democratic society. It is remarkable then, but nevertheless a fact, that the public—the same individuals, en masse—(or at least their representatives of the public who are supposed to reflect public opinion) will take an attitude which is morally dishonest. This was emphasized in the vote of the House of Commons this week on the amendment to the Railway Act which, if finally made law, will mean the destruction of valuable privileges granted to private power interests by charter of the Dominion Government and made the basis for the investment of funds of many individuals.

In voting, the majority of the members evidently endeavored to interpret the will of their electors. They probably did so correctly. But, believing in the individual honesty of the average person, we consider that the attitude of the people is due to misrepresentation of the points involved by the whole-hog public ownership enthusiasts. The issue has been made to appear one of public versus private rights—corporations versus the people. Nothing could be farther from the facts. The real issue is whether or not the solemn contract of the Government of Canada can be broken to suit the passing whims of any section of the community.

The reckless charges that public rights are being betrayed should hold little weight with intelligent people in view of the fact that a committee of the Government, the Canadian Senate and the Privy Council have all decided that the Parliament of Canada should stand behind this national contract. Such statements as that of the member who had no sympathy for the bondholders because all bondholders were wealthy is an indication of the extent to which politicians' ideas of justice may be warped. He might just as well have said, "Let us take the property of all house owners, all such—because, forsooth, they own a house—being wealthy."

It remains for the Senate to stand firm and preserve the good name of Canada in giving fair treatment to vested interests. There would appear to be no other course which that body can take, although all the forces of political coercion will no doubt be brought to bear. If this contract is violated and investors' rights are sacrificed, the future will bear bitter fruit, for capital will be very chary of placing itself at the mercy of a Government whose contract may be broken to suit the passing fancy of a misunderstanding public. These bondholders are Americans living under a constitution which provides that citizens "shall not be deprived of life, liberty or property without due process of law." If American capital, so protected in the United States, can be destroyed to suit passing opinion in Canada, it is not difficult to conclude that money will not flow freely to this country.

THE PUBLIC AND THE COST OF LIVING

A MORE general agitation than that for higher wages and shorter hours is directed against the high cost of living. It is certainly an important factor in the present social unrest throughout the country, particularly as it has been accompanied by the reckless use of the word "profiteer" by some newspapers with Socialistic tendencies and others which just naturally desire to sound the loudest note in the popular public chorus. Therefore, the Government has taken a wise course in appointing a commission to investigate the high cost of living. If it helps to relieve the high pressure of public discontent it will have well fulfilled its mission. That there is any such short-cut to reducing the cost of living is more than intelligent people hope for.

The cost of living is not subject to Government regulation. It is a condition brought about by irresistible economic forces. However, under such unsettled conditions as have prevailed there have undoubtedly been individual opportunities for taking large and in some instances unjustified profits, and if the commission can discover such cases, those few so-called "profiteers," whose operations have been a reflection upon business as a whole, may be brought to time.

Business should, therefore, benefit from this investigation which, as past investigations have done, will undoubtedly show that the great proportion of business men are operating on an honest and efficient basis. If any other conclusion is arrived at then our systems of manufacture and marketing must change. That these systems are best adapted to suit conditions will be doubted by few who know the keenness of mercantile competition.

The two dominant factors in the cost of living are the value of labor and the supply of goods. In the present crisis the world population has for a time got to subsist on less foodstuffs and adapt itself to smaller allowances of other commodities. This the people of Canada are seemingly not content to do. They demand more wages so that they may compete for the short supply of food and goods—and price is the only regulator we know in democratic countries—and as wages rise so do the prices. This can be easily understood by a perusal of the report of the United States Commission which inquired into the whole matter and which after an exhaustive investigation reported that it could not regulate prices because there was no regulation of wages, and wages represented eighty-five per cent. of the value of products.

The whole difficulty is that war conditions have passed and we must get back to normal conditions. We are fighting to retain a position in the clouds we have been floating in for a couple of years. The solution is greater production and less consumption—less extravagance. Both will tend to increase exports and national income, thus providing a means to meet the tax burdens of the war. In Canada, a young, rich country, we have nothing to fear if we will follow the blunt advice of Premier Borden to hold our heads and go to work.

IS POST OFFICE BEING HOODWINKED?

AN Alberta postmaster, writing to the editor of THE FINANCIAL POST, makes the charge that fifty per cent. of the parcels in the parcel post service are insufficiently stamped; in brief that the department is being hoodwinked on a big scale. He says, for example, that when a parcel is a pound and a quarter in weight it is put through for one pound instead of two pounds as required by regulations. This he has discovered in returning parcels, the return postage being greater than that originally paid.

It is explained by this postmaster that in many cases the country post office is in charge of a general merchant and that even though he may discover that there is a shortage of postage, his position is such that it is difficult for him to collect from the customer.

This not only illustrates how the inefficient administration of the Post Office Department is costing Canada money, but it reveals an injustice to the local merchant who pays good taxes to his own community for the privilege of doing business.

A SIDELIGHT ON LABOR LEADERS

LAST week Union Labor unveiled a monument to a great Trades Union leader, W. B. Prescott, for some years President of the International Typographical Union. Over twenty thousand Americans and Canadians contributed to its cost. Mr. Prescott was a Canadian and the monument was placed in a Toronto cemetery. Our readers will be interested in three points that the ceremony brought out.

Secretary Hayes, of the International Union, made the point that Mr. Prescott had saved organized unionism from itself when, as leader of a small minority, he fought for the introduction of machinery in the setting of type and thus almost revolutionized the printing industry. The prosperity that had since come to the Typographical Union was a practical evidence of the value of far-sighted, broad-minded leadership.

Vice-President Barrett, Chicago, followed with strong advice to the assembled Trade Unionists not to be misled at this time by those who would break up the old-established, long-experienced union organization by demands for one big union and sympathetic strikes.

A third point was that the late Mr. Prescott, as a young printer, helped to set the type for the first issue of our associate, the *Canadian Grocer*, about thirty-three years ago.

An interesting side-light was a statement made by another speaker that Mr. Prescott had to begin work as a child delivering papers in Toronto in order to earn money to support his widowed mother. They were so poor that his shoes and stockings were so full of holes that his feet rested on the snow as he went from house to house in the early mornings.

He devoted the latter years of his life—he died at 53—to the better education of compositors and under the direction of the International Union. Even here he met opposition from the short-sighted radical element, who saw in this a better service to capital, instead of to the customers for whom both were working.

EDITORIAL NOTES

THE Trade Mission, like Providence, offers help to those who help themselves.

* * *

IT MAY be pointed out that those who complain loudest that two dollars will now only go as far as one did formerly, are those who are getting the two dollars.

* * *

LLOYD HARRIS says that Greece will take delivery of a million bushels of wheat a month at Canadian ports. What does Greece propose to bring over in those boats—and to whom?

* * *

THE allegations that the Canadian Railways have come to grief under private ownership should be qualified. They were built under private ownership but came to grief largely because of war conditions.

* * *

IT IS NOW fairly clear, says the *Business Digest* that the signing of peace will not lower immediately the cost of living, any more than the armistice did. True, there has been a slight drop in the six months since, but only a slight one, nor do those best informed look for anything more than gradual betterment before summer or early fall.

* * *

THE House of Commons was this week told that Quebec "was about the only Province where there is industrial peace at the present time." Yet, according to the public ownership propagandists that Province is corporation-ridden; and corporations, they would have the public believe, are unfair in their treatment of workers and everybody else.

* * *

SIR ROBERT BORDEN, who makes some very sensible observations regarding the present situation in Canada involving labor and the high cost of living, cannot be reading the weird theories of one J. L. Payne in the Toronto *Globe*. Mr. Payne can say less of practical significance in four columns than most people in four sentences.

* * *

IN considering the relations of capital and labor, it may be worth noting that the great majority of capitalists have at some time been workers, but that few workers have ever been capitalists. It is not going too far then to say that the average employer knows more about problems of the employee than does the employee of the problems of the employer. Overtures for a better understanding should, therefore, be made by capital.

WHY DID WE LET TROTZKY, BOLSHEVIST LEADER, GO?

Canada by Lax Attitude of Ottawa Officialdom Lost Opportunity to Shorten the Great War

By LIEUT.-COLONEL J. B. MACLEAN.

THE way things look at the moment, some Canadian politicians or officials were chiefly responsible for the prolongation of the war, for the great loss of life, the wounds and sufferings of the winter of 1917 and the great drives of 1918. And they are doing their very best to prevent Parliament and the country from getting at the facts. While our splendid armies were hanging on in France and our loyal leaders at Ottawa and throughout the country were straining every nerve to support them with more men, someone was betraying them at Ottawa and down at Halifax. When General Sir Sam Hughes asked some questions in the House of Commons, Hon. Mr. Burrell, Secretary of State, simply said there was no information on the subject; which was untrue. There is a lot of information available, but the persons who know seem to be using every effort to hide the disgraceful part they may have played and prevent any effort to trace the episode to the persons higher up.

Official reports such as Sir Douglas Haig's review of the war and many speeches and other utterances of men who know, show that but for the Russian breakdown the war would have been over a year earlier.

The man chiefly responsible for the defection of Russia was Trotzky. Trotzky—the real man now directing Russian affairs, acting under German instructions—was arrested and held in the internment camp at Amherst, N.S., on the very definite instructions of the British Secret Service, who knew exactly who he was and what he was proceeding to do. They protested strongly against our releasing him. Yet our authorities released him at the request of someone at the British Embassy, Washington, acting, they say, on the request of someone in Washington.

Let us look at the evidence as uncovered by the British Secret Service in Russia, and by the equally excellent U. S. Secret Service and passed to the British. Originally the British found through Russian associates that Kerensky, Lenine and some lesser leaders were practically in German pay as early as 1915, and they uncovered in 1916 the connections with Trotzky, then living in New York. From that time he was closely watched by the clever section of the Police Department known as the "Bomb squad." In the early part of 1916 a German official sailed for New York. British Intelligence officials accompanied him. He was held up at Halifax, but on their instructions he was passed on with profuse apologies for the necessary delay. After much manoeuvring he arrived in a dirty little newspaper office in the slums and there found Trotzky, to whom he bore important instructions. From June, 1916, until they passed him on to the British, the N.Y. Bomb Squad never lost touch with Trotzky. They discovered that his real name was Braunstein, and that he was a German, not a Russian.

The Career of Trotzky

A Russian acquaintance who recently passed through Toronto told me he knew him very well, suspected him and once as a pretext asked him to translate, carefully, a document into German and Russian. Trotzky failed on the Russian, but his German was perfect.

The U. S. Intelligence Department further found that he had for years been in the German Secret Service in Russia. In August, 1914, he had ostentatiously been expelled from Berlin. He went to Paris, where he was soon identified as a German. He had to get out. Then he went to Spain. The Allies protested and he moved to the States, where he became active in Russian circles there and in Canada. Russians in Western Canada say he was instrumental in getting over 5,000 foreigners to sail from Vancouver and other ports for Russia, who were trained and instructed for propaganda purposes. They were largely Germans and Austrians traveling as Russians.

He organized those who remained behind into groups, and by this time enough was known to take him very seriously. Long before the Russian revolution occurred he had announced it in New York. He was closely watched and all his speeches were recorded. He was identified and at a meeting on February 2, 1917, he was introduced as Mr. Bornstein. Just when the U. S. was severing relations with Germany and war was certain, he started the campaign against militarism and the doing away with the U. S. Government once and forever. A typewritten copy of the speech was given to Colonel Biddle of the U. S. army, who that night read it over the phone to Colonel Van Deman in Washington. Another copy went to the British Secret Service.

On March 26, the night before he sailed, Trotzky addressed a large meeting organized by the German Federation to say farewell. The Bomb Squad took every word down through a dictaphone, and made a list of those present. In all 180 of them were to sail. Emma Goldman, who used to visit friends in Toronto, was on the platform. Trotzky explained—quite clearly and frankly that "they were going to Russia to push the revolution as it ought to be pushed."

"You who stay here," he cried, "must work hand in hand with the revolution in Russia, for only in that way can you accomplish revolution in the United States."

Trotzky a Coward

On the S. S. Christiania, on which he sailed, were several British Secret Service officers. On arrival at Halifax, on April 3, they reported Trotzky and four associates to Captain Making, R.N. These men were taken off the ship under the direction of Lieut. Jones, R.N.

It is an extraordinary fact, the police officials tell me, that these agitators, who are so bold and courageous on the platform when stirring up a mob to rebel against authority to seize anything they want, are the most arrant cowards when they themselves have to face authority. Trotzky was no exception. He crouched and whined and cried in abject terror. When he found he was not to be shot his bluff returned and he protested violently. Later he assumed a religious air when he objected to the house in which, by chance, he was temporarily held. He was eventually turned over under armed guard to the Canadian authorities, who placed him in the internment camp at Amherst, where several hundred enemy aliens were in confinement, and are still there.

The British Secret Service handed over full details to the authorities at Halifax, including a copy of Trotzky's speech. They knew he was a German, not a Russian. With his four companions he was held for some time. His wife and other persons, plentifully supplied with money—which the records show came from German sources in New York—were in communication with Washington and New York. The British Secret Service people, knowing they had a very important German prisoner, fought bitterly against the release. The minor Canadian officials, knowing the facts, were amazed when they were ordered to discharge the crew with honors.

Generally the explanation is given that the release was done at the request of Kerensky, but months before this British officers and one Canadian serving in Russia, who could speak the Russian language, reported to London and Washington that Kerensky was in German service. Finally is is said it was done at the request of the British Embassy at Washington, over the head of the British and American Intelligence Department; and that the Embassy acted on the request of the U. S. State Department, who were acting for someone else. This is not the view of the U. S. Intelligence Department, for they were so astonished that they sent one of their trusted officials to Ottawa to investigate. He visited among others, the Secretary of State's Department.

That the request came from the British Embassy at Washington is an explanation, but no excuse, for the release of Trotzky by Canadian authorities who knew the importance of their prisoner. The utter incompetence and helplessness of our embassy was well known. It was a joke in the U. S. until Lord Reading took charge. That the lesson of what the Empire has suffered in this war—because of its mistaken diplomatic and consular ideas, several times exposed in these columns—has not been learned is evident from a recent issue of the Daily Mirror, London, which favors the appointment of Sir J. W. Lowther, speaker of the House of Commons, as Ambassador at Washington because "it would give great satisfaction to the American people, for Lowther possesses in an eminent degree all the qualities required to make a great ambassador—intellectual distinction, diplomatic experience, and the gift of cultivated oratory."

Yet Hon. Mr. Burrell tells Parliament there are no records. Who are they trying to protect or hide?

Trotzky Estranges British Labor

Trotzky is very noisy and talkative and unprincipled, and to this is due the very important change of attitude on the part of British labor. Whether by prearrangement or not is unknown, but Trotzky, when waiting at Stockholm on his way to Russia, met certain British Socialists and Labor leaders who were then in entire sympathy with the Russian revolution. Trotzky's pictures of the opportunities Bolshevism opened for its leaders—wealth untold and lavish luxuries to be enjoyed, the making of maidens a public property—disgusted the sturdy British workman and they told him so. Finding he had made a mistake Trotzky sought to get them out of the way. Stockholm was full of German agents. One British labor leader was given a cup of coffee. Being suspicious he, unnoticed, exchanged it with his companion, a German. The latter died in twenty minutes. The British Unionist was arrested, but it was proved that the dead man was a German spy, who had put the poison in the Englishman's cup. This man exposed the Bolsheviki plans to British Unionism. Subsequent events confirmed in every detail the truth of his stories.

Finally Peter Wright brought first hand news from Petrograd to a large gathering and British labor changed completely. Peter himself had a narrow escape. Finding the Bolsheviki policies did not appeal to him Trotzky's agents sought him. Warned by friends he escaped in a coffin brought to the hotel for a man who had died. He was being buried when he was released and got away in disguise by friendly members of the Russian Sailors' Union. His arrival in England was most timely. Inspired by the misrepresentations of men like Henderson, Labor had, by a majority of over 30,000, adopted a revolutionary policy. After hearing from Mr. Wright—himself a life-long labor agitator—the policy was revised by a larger majority the other way. One of the great Scotch leaders, who was a hot revolutionist before the war, is now saying that the fearful experiences of Russia under Trotzky had caused him to drop the first letter of his watchword. He is now an "Evolutionist" and has been using his great influence successfully on the British workers to resist German Bolshevik propaganda and on the British employers to grant without pressure every reasonable demand from their employees.

At another time our officials were instructed to inform the press that Trotzky was an American citizen traveling on an American passport; that his release was specially demanded by the Washington State Department; that in view of the precarious international relations existing at that time it was necessary for Canada to release him. But Canadians knew enough of Trotzky's history from American-British sources to make a fight against his release, by at least making the facts public. If this had been done no doubt the Americans would have insisted upon uncovering the influences working for Trotzky.

Propaganda in Canada

If the matter had ended in Canada with the release of Trotzky there would perhaps now be nothing but regret for the lack of backbone in our officialdom; nothing but another example of a case where politicians brought appalling losses upon us by refusing to be guided by our military experts, and this time confirmed by those of our Allies.

Continued in next issue.

Personals

HENRY P. DAVISON, of J. P. Morgan & Co., has been gradually winding up his work as head of the American Red Cross, which he undertook at the request of President Wilson shortly after the United States entered the war, and now hopes to be able to return home shortly and resume his desk in the Morgan office. Thomas W. Lamont, of the same firm, who is now abroad acting as financial advisor to President Wilson, hopes to be able to resume his regular duties early in July.

LORD BEAVERBROOK is sailing for Canada this week-end, according to London advices. Now that the war situation is clearing up and there is opening out another period of activity in Canada, those who are associated with Beaverbrook interests believe that he will devote himself more largely to Canadian affairs. The activities of the Royal Securities Corporation and the opening of new offices may be taken as some confirmation of this opinion.

CANADIAN COMPANY LAW

"Practical Guide on Canadian Company Law" is the title of an interesting handbook just published by Walter E. Lear. It contains the Dominion Companies Act, with amendments arranged in concise form under subheadings, and is destined to become very popular with lawyers, bankers and business executives who desire a quick, handy, authoritative reference book on company law.

In addition to five chapters on the Act, there is one chapter on organization meetings and a chapter devoted to precedents for by-laws. This little book will fill a long-felt want, and will commend itself to the reader in the concise way information is compiled. No business man's library is complete without a copy of this book, published by Law Books, Ltd., Toronto; price, $4.00.

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The Dominion Government is planning the expenditure of $5,000,000 on the development of Vancouver Harbor during 1919.

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The location is within nine blocks of Vancouver's retail district—give full advantage of all public utilities—water supply — sewerage—gas—electric light and power.

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INVESTORS' INQUIRIES

Information under this head is given in answer to direct requests from investors who are readers of THE FINANCIAL POST. Many questions respecting securities are answered by mail direct. We would remind correspondents that it is now necessary to enclose 3 cents in postage stamps to cover postage on answers direct.

NORTH SASKATCHEWAN LAND

R. A. W., New York, asks information regarding the position of bondholders of the North Saskatchewan Land Company.

In the near future payment of 10 per cent. will be made to bondholders, and within a week or so a statement will be issued reviewing the steps which have been taken. Further settlements will be made from time to time until the affairs of the company are finally wound up, but the outlook is that bondholders will not receive more than 50 per cent. of their investments.

UNLISTED BONDS AND STOCKS

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NATIONAL MILEOMETER

Watford.—Can you give me any information regarding the National Mileometer Company of Detroit?

The National Mileometer Company, is a concern organized to manufacture and market a patented automobile fixture, which is said to have a number of good features. The company is just now getting into a position to put its goods on the market in a commercial way. From the investment standpoint it is said to have attractive possibilities, but it should not be regarded as anything but a speculation.

"POWER" AND PAPER BONDS

Vanby.—I should be much obliged if you would kindly advise me how best I could invest $5,000. Civic investment shares and some pulp and paper bonds have been mentioned to me. Are they suitable?

We would prefer to have some additional information regarding your position before giving specific advice as to the class of investment to take up. For instance, if you are strongly entrenched in your position in Government or provincial bonds, you would be better able to take up something relatively more speculative than if dependent upon income.

Civic Investment, or as it is now known, Montreal Light, Heat and Power Consolidated, is one of the few public utility stocks in Canada which has not been unfavorably affected by war conditions. For this reasonable legislative consideration — particularly as compared with the attitude towards such corporations in Ontario —is largely responsible. Then with very efficient administration the company has been able to enlarge its output, and to maintain production costs on a basis which have enabled it to meet the higher cost of operation and distribution without interfering with earnings. As to the future there would seem to be reasonable assurance that the public attitude will continue favorable, but of course there is always a chance that there may be a change in this connection. In other parts of Canada and in many parts of the United States, the treatment of private public utilities has been anything but encouraging to investors. The stock is now selling at a very high price compared with other stocks in the utilities group. The return on the investment is only about 4 1-2 per cent. This would not only seem to indicate the high regard in which the stock is held by the investing public, but that developments are anticipated which will mean increased benefits, either through a higher dividend or stock distribution to the common shareholder. On this point there is no definite information available.

There are some very attractive investments in pulp and paper bonds. The future of the pulp and paper industry would seem to be reasonably assured, and with the better companies, the bond interest should not be in doubt. There are a number of the better issues in which we do not think you could make any mistake, but we prefer not to name these specifically. If you care to communicate, mentioning some of the companies which you are considering, we will be pleased to give you a report on them which would aid you in reaching a decision.

BRAZILIAN TRACTION

Subscriber.—Do you consider Brazilian Traction a good buy at the present time?

Despite recent advances in Brazilian Traction, it would still appear to be a reasonably good speculative buy at the present figure. The company made a good showing during the war, both as regards gross and net profits, and is continuing to do so under peace conditions. In fact it is expected that this improvement will be emphasized by some reduction in operating costs, particularly as regards transportation charges on coal. The war-time depression in the market for Brazilian was due to the exchange situation. With the end of the war there has been an improvement in this situation, and this has been reflected in the advance in the price of the stock. Exchange is now firm at the better level, and still further improvement is to be looked for in due time. There have been reports from time to time that the dividend on the common stock may be resumed this fall, but there is nothing definite in this connection, nor do we think there is likely to be until such action is actually taken, whatever that may be.

CANADIAN PACIFIC

Enquirer—What is your opinion regarding Canadian Pacific Railway?

There is room for confidence in the future of the C.P.R. despite the fact that the company is in the position of having earned last year less than 1 per cent. above the amount actually required to cover the 12 per cent. dividend, and the Government is taking presumably, $2,300,000, by special tax, every cent of the surplus on ordinary revenue, from rail operations during the past year, and, while the company earned less than 13 per cent. last year we look to it to earn a good deal less this year, for figures that are quoted monthly show that so far gross earnings are up but net earnings, with the enormous increase in wages, etc., are running below those of last year, and they promise to do so for the rest of the year, unless a very great expansion in business in the Fall should drive earnings up. For instance you may have noticed in last week's issue of the FINANCIAL POST that for the four months ending April 30, 1919, the gross earnoings were $49,575,582, compared with $46,120,883, a gain of nearly $3,500,000, but the operating expenses increased from $37,913,821 to $43,413,285, leaving net earnings lower by $2,044,765.

The result must be in all likelihood, that by the end of the year 1919 the company will be forced to take a large sum out of its accumulated surplus in order to help pay the deficit in earnings required to pay the regular 12 per cent. on its capital stock.

In spite of that, we have faith in the future of the company, in earnings, paying its dividends, and in future development if public sentiment can be brought to a saner view of private vs. public ownership or railways.

We think that the stock will keep up well in spite of the probable developments re dividends this year. We are sending under separate cover a copy of the report for 1919 so that you may study the surplus of the company, and its other immense resources, and the potential value of the lands in the West and other sources of income.

INVESTMENT ADVICE

A. S. T., Ontario.—Please explain the difference between bonds and debentures. Do Government, provincial or municipal debentures ever fail to pay either interest or principal? Are they really desirable security? Are preferred stocks in industrial concerns always safe and profitable? Do they ever fail to pay dividends? Would you advise an inexperienced investor to invest in the common or preferred stock of industrial concerns? Is there a book printed on the subject of buying and selling real estate on a commission basis? Is mixed farming a good investment as compared with other investments as to principal and returns? How about the future? What would you advise a farmer to do with his surplus money to make a safe and profitable investment? Are city mortgages at 6½% a good investment for both principal and interest? Please explain farm mortgages and what per cent. of value of farm should be considered for a loan. What can a mortgagee do if the mortgagor does not make his payments of either interest or principal? What papers does the mortgagee hold belonging to the mortgaged property?

Generally speaking, from the investor's standpoint, bonds and debentures are similar in that they represent a claim upon certain property as set forth in the document. There is, however, a distinct difference between first and succeeding mortgage bonds and prior lien bonds, as these have precedent one over the other as arranged. Also there is an important difference between gold and currency bonds, the former being payable at the time of expiration in gold and the latter in currency.

Government, provincial and municipal debentures are decidedly desirable investments. However, they have relative value. There is no reason whatever to fear for the stability of the Dominion bonds, so long as there is a Dominion of Canada and provincial bonds may be regarded as being practically in the same class. So far as municipal bonds are concerned there have been very few cases in Canada when both interest and principal have not been fully paid, but as the security in each case is the particular municipality making the issue, there is a distinct difference in value in the eyes of the buyer, which is usually indicated by the market price. Municipal government is an important factor in this connection and the security in the case of a town which has been boomed and has been extravagant in expenditures cannot be compared with that of an old established, conservatively conducted community.

As preferred stock in most industrial concerns is secondary to mortgage obligations, and as industrial bonds are not always safe, it follows that preferred stock cannot be regarded as being so. Most preferred stocks are cumulative in that payments are carried on until such time as there are earning to meet them. Preferred dividends can only be paid when warranted by earnings, and for this reason there have been many instances when they have not been met, anl others even where, owing to the failure of the venture, the capital investment itself has been lost.

Practically all industrially preferred and common stocks are to a certain extent cumulative in character, but some are much more speculative than others. It would be difficult to give advice regarding this class of stock as a whole. If an investor is in a position to take on a reasonably speculative proposition there are many attractive industrials, but when safety is the first consideration investments should be very largely confined to Government or the better municipal bonds. Good industrial bonds are also, of course, preferable from the standpoint of security to stock.

There are a number of works on real estate which might suit your requirements, including the Law of Real Estate Brokers, Principles of Salesmanship, Real Estate Accounting, etc.

We would not feel qualified to answer the question as to whether mixed farming would be a good investment as compared with other investments. It would depend to a large extent, in our opinion, upon the practical knowledge and ability of the operator. As a general thing, however, mixed farming conducted by a man of experience should make a very good proposition at the present prices, and we would advise such a man to devote himself to it rather than to stock investments. The indications are too that high prices are to obtain for an indefinite period for practically all kinds of food products.

As indicated above we would consider that a farmer who wishes to continue actively in agriculture could hardly invest his money to better advantage. If, however, he has a surplus we would advise that the bulk of this be placed in high class securities, such as government or provincial bonds or good municipal issues. Industrial bonds are good. Industrial preferred stocks might also be considered for a portion of the funds as well as private mortgage or loan company debentures, but, generally speaking, do not consider that a farmer would be wise to interest himself in the more speculative stock market issues.

City mortgages at 6½% are generally well regarded both as to principal and interest. Here again, however, it depends very muchc on the individual proposition and the value of the property.

Farm mortgages are generally considered a good investment, and we believe that up to 50% of the value is generally considered a very safe margin under a first mortgage. If the mortgagor does not make payment in accordance with the mortgage contract the mortgagee can at once proceed to execute the contract.

New Issue

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FRONTENAC BREWERIES

Oxford—Kindly let me have your opinion of Frontenac Breweries.

Since starting up manufacturing a light line of lager about a year ago this company has had several difficulties to contend with, and at the present time there are arrears in bond interest for about six months. An arrangement is in effect, however, by which this interest need not be met until one year after the signing of peace, and even then instalments may be carried on for the next five years. This was done before the referendum permitting the sale of beer and wine was carried by a very large majority in Quebec Province, and was a precaution that it now turns out was not required. For in the last month we are informed the business of the company has more than doubled, and all the bond interest will be met even before the year after the signing of peace, so that the five-year arrangement will not need to be called into operation at all. It is doubtful whether there will be a public announcement of the resut of the past year's operations, as there is now keen rivalry between this company and the merger, National Breweries, but we are informed that the earnings of the company were more than sufficient to meet the bond interest, and with a big business apparently assured in the province for years there seems little doubt that the company will show largely increased earnings. This would establish not only the payment regularly of the bond interest but in a reasonable period the stock would come in for a return.

There has been a tendency on the stock exchange for some purchasers of Frontenac Breweries stock to rely on the theory the last few weeks that there will be a merger of Frontenac and National Breweries, and that Frontenac would be likely to advance in price at least a considerable amount of the spectacular rise that National Breweries has had, from around 20 to over 130 in a few weeks. There is no basis for this theory; we are assured that there will be no such movement for a merger; the Frontenac Company will go only itself and will improve its position materially in the next couple of years from a very large increase in sales that appears to be certain. The stock is not listed but on the curb it is selling around 55-56.

The Management of Your Real Estate

either small or large, is one of the many capacities in which we can be of service to you. Why not relieve yourself of the trouble of collecting rents, the making of repairs, securing new tenants, payment of taxes, insurance premiums, interest on mortgages and other troublesome details, by appointing as your agent

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NEWS OF THE BOND MARKET

HIGH PRICES FOR MUNICIPALS ARE HAVING EFFECT

Bringing Corporation Bonds Into Greater Favor With Investors

HOW DEALERS FEEL

Narrow Margin of Profit in Handling Municipals Leads Houses to Enter the Corporation Field

There is quite a satisfactory market for everything offering at the present time, according to reports received from a number of bond dealers this week. Some criticism continues to be levelled at the high prices prevailing, but if bonds are selling at these prices there is no very valid ground for objection. In the view of quite a number of dealers, prices have been ruling too high right along, but there has been no reaction and quotations are weekly becoming firmer than ever.

The comparatively small number of municipal issues coming on the market has undoubtedly been accountable for much of the strength. Dealers have been bidding eagerly for each block as it is offered, with the result that the prices paid for the bonds and the prices at which they can be marketed are coming pretty close together. Under these circumstances there is not much profit in the municipal bond business to-day, unless when issues can be picked up privately. Chances to negotiate private purchases are, however, becoming less frequent as municipal officers come to a realization that higher prices are usually obtainable by the public sale method.

As municipal bond prices advance there is an inclination among investors to view with increasing favor the higher yielding bonds of corporations. With living costs soaring, a 5 or even 5½ per cent. yield is not particularly attractive. It is becoming increasingly easy to interest bond buyers in the corporation bonds and conservative investors, who never bought such securities before, are now making purchases of them. Bond dealers themselves, who have specialized entirely in Government and municipal bonds, are also finding it advantageous to handle these issues, on which they are able to make, as a rule, a much better profit. Under these circumstances the higher municipal bond prices advance, the greater the number of buyers who will enter the corporation bond field.

The heat wave of the past two weeks has had its effect on the bond business, lessening the activities of salesmen on the one hand and putting investors out of the mood of buying on the other. On the whole business has been quieter. The condition is necessarily but temporary as funds continue to accumulate rapidly and must seek investment outlets.

Point Grey Sale

A sale took place on Tuesday of $114,500 debentures of the District of Point Grey, B.C. These consisted of $32,000, 5 per cent. bonds due 1953, and $82,500 5½ per cent. bonds due 1959. An award was made to A. E. Ames & Co., at 92.22, or about a 5 7-8 per cent. basis. Among the tenders received were the following:

	5½s	5s
A. E. Ames & Co.	94.22	87.08
MacNeill, Graham	92.64	85.61
Wood, Gundy & Co.	91.45	85.84
R. C. Matthews & Co.	91.50	84.68
B.-Am. Trust Co.	91.74	84.24

Other figures submitted were by Messrs. Stimson & Co. at 89.01 and Messrs. Brent, Noxon & Co. at 89.576, but these are average prices for the two blocks.

Another Barton Issue

A second sale of Township of Barton bonds took place on Saturday, when $55,000, 5½ per cent., 20-instalment bonds were awarded to A. E. Ames & Co., at 101.83, or about a 53.0 per cent. basis. A number of bids were submitted on the assumption that the bonds were straight-term as before, but those received on the instalment basis were as follows:

A. E. Ames & Co.	101.830
Brent, Noxon & Co.	101.690
Royal Securities Corp	101.680
National City Co.	101.577
MacNeill, Graham & Co.	101.420
Canada Bond Corp.	101.420
Wood, Gundy & Co.	101.380
W. A. Dyment & Co.	101.310
G. A. Stimson & Co.	101.260
Sterling Bank	101.250
Dominion Securities Corp.	101.171
Turner, Spragge & Co.	101.153
R. M. Bird & Co.	101.100
W. L. McKinnon & Co.	100.635
John Stark & Co.	100.510

Renfrew County Again

The sale by the County of Renfrew on Monday, of its issue of $32,000 debentures, half in five and half in ten instalments at 6 per cent., resulted in an award to A. E. Ames & Co., at 102.35, or a basis of about 5⅝ per cent. Following were the bids:

A. E. Ames & Co.	102.350
Aemilius Jarvis & Co.	102.115
Canada Bond Corp.	102.015
MacNeill, Graham & Co.	101.920
W. L. McKinnon & Co.	101.900
National City Co.	101.800
G. A. Stimson & Co.	101.760
R. C. Matthews & Co.	101.600
Brent, Noxon & Co.	101.060
R. M. Bird & Co.	101.700
Bank of Ottawa	100.939

County of Ontario

The County of Ontario, which invited tenders on Wednesday for an issue of $10,000, 5½ per cent., 10-year debentures, awarded the bonds to A. E. Ames & Co., at 100.87. Seven tenders were received, ranging as follows:

A. E. Ames & Co.	100.87
Canada Bond Corp.	100.77
MacNeil, Graham & Co.	100.73
Brent, Noxon & Co.	100.70
G. A. Stimson & Co.	100.63
Wood, Gundy & Co.	100.39
W. L. McKinnon & Co.	100.02

Carleton County

An award was made on Thursday to MacNeil, Graham & Co. of the County of Carleton's issue of $40,000, 5½ per cent., 20-instalment debentures at 101.92, or a basis of about 5.28 per cent. Following is a partial list of tenders received:

MacNeill, Graham & Co.	101.92
Æmilius Jarvis & Co.	101.87
A. E. Ames & Co.	101.84
Canada Bond Corp.	101.43
Dominion Securities Corp.	101.38
G. A. Stimson & Co.	101.84
W. A. Dyment & Co.	101.05
Wood, Gundy & Co.	100.88
W. L. McKinnon & Co.	100.63
Housser, Wood & Co.	101.527
R. C. Matthews & Co.	100.82

The town of Eastview has recently placed an issue of $71,000, 5½ per cent., 30-instalment debentures with Brent, Noxon & Co., and W. A. Mackenzie & Co., acting on joint account.

Miscellaneous Sales

A small block of $1,400 6 per cent., 10-instalment debentures of the village of Chatsworth has recently been placed with Brent, Noxon & Co.

H. J. Birkett & Co. report the purchase of the following Western school district debentures: Theodore, Sask., $19,500, 6½ per cent., 20-instalments; Walter Scott, S.D., Man., $2,000 7 per cent., 15-instalments; Allandale, S.D., Man., $3,000, 7 per cent., 20-instalments, and Barras, S.D., Man., $2,000, 7 per cent., 15-instalments.

An issue of $66,500 5½ per cent., 25-year refunding serial bonds of the town of Dorion, Vaudreuil County, Quebec, has been awarded to Beausoleil, Limited, bond dealers, Montreal, whose offer was 97.92 and interest. The other bids were as follows:

Beausoleil, Limited	97.92
Placement Nationale, Ltd.	97.50
L. G. Beaubien & Co.	97.05
Municipal Debenture Corp.	96.50
Credit Anglo-Francais	96.137
Credit Canadien Inc.	95.37

PAPER COMPANY'S BONDS

Some Features of Howard Smith Issue Now on the Market

An offering of an $800,000 issue of 6 per cent. first mortgage 15-year sinking fund gold bonds of Howard Smith Paper Mills, Ltd., is being made this week by Nesbitt, Thomson & Co., and A. E. Ames & Co. The price is 93 and interest, making the yield 6¾ per cent. These bonds are issued to provide funds for the company to extend one of its mills, the Beauharnois plant, as business is said to be in sight for double the amount of production of which the present plant is capable.

These bonds are dated June 1, 1919, and are due June 1, 1934. They are a first mortgage on the assets of the company amounting to over $2,300,000. The earnings of the company for the past year were $197,116, or four times the bond interest, and with the new mill, the Crabtree, operating this year, instead of for only a portion of the time last year, and the increased production of the extension of the other plant, it is likely that earnings will far exceed those of last year. The present output is 79,000 pounds, or 40 tons of high grade bond and ledger paper daily. The company is looking forward also to the development of a fairly large export business.

ISSUE BY THEATRE

Loew's Toronto Theatres, Limited, To Issue Half A Million Bonds

At a special meeting of the shareholders of Loew's Toronto Theatres, Ltd., on Monday, authorization was given to an issue of $1,500,000, 6 per cent., 15-year serial bonds, dated June 1, 1919, of which $500,000 will be issued immediately to finance the erection of a large motion picture house near the corner of Bloor and Yonge Streets. The balance of the issue will presumably be reserved for other developments contemplated elsewhere in the city. According to the present arrangement, Loew's Toronto Theatres will own the Bloor and Yonge property outright in 15 years, a property that is expected to earn upwards of $125,000 annually from the outset.

VIEWS ON NEXT DOMINION LOAN ARE EXPRESSED

Toronto Bond Dealers Think Co-operative Plan is Desirable

A MONTREAL OPINION

French-Canadian Bond Dealer Holds That the Loan Should be Purely a Domestic Flotation

Some fairly pronounced views are held by Toronto bond dealers as to the general plan under which the next Dominion loan should be floated. It is the opinion of most dealers approached that, provided the loan exceeds $100,000,000, which is practically certain, the co-operative, non-competitive method of handling it should be followed. Certain modifications of this plan are suggested but on the whole there is a feeling that, in order to make sure of success, the well organized services of the whole bond dealing fraternity should be enlisted.

One dealer mentioned a plan which he thought might be feasible under which the bond dealers as a whole, acting through a central committee, would underwrite the issue. Individual dealers would then apply for a certain allocation and would be guaranteed a certain fixed return on the block, irrespective of whether they actually sold it all or not. In the event of sale they would be paid a further commission, which would thus stimulate effort.

International

On the point as to whether the loan should be purely domestic or whether is should also have international privileges, the mass of opinion is largely in favor of the latter plan. It would give the loan the support of the United States market, which in turn would help to maintain the whole range of Canada's local issues and prevent any serious slump in prices. The beneficial effect on the exchange rate in the event of any very considerable sale of bonds in the United States is obvious.

There is quite a pronounced sentiment in favor of making the coming issue taxable. The view is freely expressed that the Dominion cannot continue the tax-exempt feature any longer. On the other hand it is recognized that to offset this, favorable terms will have to be granted. A return, even as high as 5½ per cent., is suggested, though some believe that 5¼ per cent. will be sufficient. Naturally this involves the question of maturity. To prevent any great dislocation of Canada's long term bonds, either Dominion, provincial or municipal, it would seem desirable that the loan should be a short term one. A five-year taxable bond to yield 5½ per cent. might prove effective, but there would be this likely result, a movement of the issue towards the United States market. For a domestic issue a longer term would be required and to meet this, a ten-year maturity might be produced.

A Montreal View

As presenting the views of a certain section of the Montreal bond dealers, the following contribution from a member of a leading French-Canadian banking house who had active experience in organizing and selling during the past two campaigns, may prove illuminating:

"It is quite time that the financial men of the country and the financial papers were giving attention to the form that the next war loan should take. When the last campaign started early last fall we were told that there was no time to discuss details: that the question of terms, and particularly as to tax exemption or not, would have to be left to another occasion. The time for discussion and decision is now ripe, and I would like to offer a few suggestions from my experience in organizing and canvassing in a number of counties of Quebec Province in the last two campaigns.

"In the first place would it not be advisable that there be no offering of this issue in the United States? Canadian investors can absorb the whole of it without the slightest trouble. The last bank statement showed huge sums in savings deposits. People are now educated to take bonds; they are beginning to place their money in debentures instead of mortgages or in some dubious form of security. These people in Canada have over a billion in the banks alone; they have more money than they know what to do with. Then why go to New York? If there is one sound issue in Canada that will appeal to them, it is a Government issue.

Correct Exchange Otherwise

"It is argued that on account of the exchange we should sell in New York. Why should this not be left to Provincial and industrial issues? This difficulty, it would appear, is merely temporary anyway. While we have had a balance of trade in our favor running between $300,000,000 and $600,000,000, we have been using the surplus to pay our war expenses in Europe. After the first of July or thereabouts this

Continued on page 13.

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6¾%
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First Mortgage Debenture Stock of the Canadian Northern Western Railway Co., bearing 4½% interest and maturing 1942 and 1943.
PRICE RATE TO YIELD
5½%
Full particulars sent on request.
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City of Hamilton....1920-5½%
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MONTREAL TRAMWAYS AND POWER COMPANY, LIMITED

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Due March 1st, 1924

Price: 101 and interest

To yield 6.25%.

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$35,000

Rural District Debentures

Area 394,120 acres.
Value $4,842,300.
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PRICE AT A RATE TO YIELD

5.90%

The strongest class of municipal security west of the Great Lakes. Write for full particulars.

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$50,000

CITY OF TORONTO

(Issued by Separate School Board.)
5½% BONDS, Maturing 4 March, 1939.
Interest payable 4th Mar. & 4th Sept.
Interest and Principal payable at Toronto and New York.
Price on application.

PROVINCE OF MANITOBA

5½% BONDS, Maturing 1 April, 1934.
Interest payable 1st Apr. & 1st Oct. at Toronto, New York & Montreal.
Price: Rate to yield 5¼ per cent.

CANADA BOND CORPORATION LIMITED
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High Yield in Municipal Bonds

	To Yield
City of Calgary 5% due 1943	5.70
City of Lethbridge 5% due 1943	5.90
Municipality of Summerland, B.C., 6% due 1940.	6%

Housser, Wood & Co.
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$10,000.00
Province of Manitoba
Gold 6% Bonds
DUE FEB. 1928
Payable in Canada and New York
Price: To Yield
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EDMONTON - ALBERTA

FIELD OF MUNICIPAL FINANCE

JUDGES NAMED TO ENFORCE NEW ALBERTA ACT

Will be Commission to Enquire Into Finances of Municipalities

WILL SIT IN JULY

Municipalities Applying for Investigation Must Have Their Cases Prepared for Consideration

EDMONTON.—Upon the recommendation of Hon. A. G. Mackay, Minister of Municipal Affairs, an order-in-council has been passed appointing Chief Justice Harvey, Mr. Justice Beck and Mr. Justice Hyndman, as commissioners under the terms of the new act for the amelioration of the financial affairs of municipalities. It is understood that several cities and towns in the province will make application to the commission to have certain phases of their financial position considered. Different cities and towns have different problems which it is believed can be safely worked out with benefit to the municipalities and their bondholders.

It is understood that the commission may possibly not hold any sittings until vacation, which begins the first of July, but the cities and towns that make application will be directed to get their material in shape to classify their indebtedness, so that the applications may be rapidly proceeded with when the dates are fixed.

Powers of Commission

The commissioners have power to investigate the financial affairs of any municipality on receipt of a request to do so from the municipality or from the holders of one-fourth in value of the amount of the bonded indebtedness of the municipality. They have power to investigate all matters relating to the indebtedness of the municipality, whether such indebtedness has been caused by issue of debentures or otherwise. When making an investigation, the commissioners will issue notices to representatives of the bondholders and other creditors; also to any class or classes of ratepayers whom they think proper should be represented to appear before them, and, after consultation with these representatives of the bondholders and the ratepayers, they shall make a recommendation as to what should be done to enable the municipality to take care of its indebtedness.

The commission is given wide powers as to what they may recommend. They may recommend immediate payment or make provision for payment within a fixed period of the principal or any portion of the outstanding debt; they also have power to recommend that the keeping up of a sinking fund to take care of debentures issued on the sinking fund plan be postponed for a time, or that the amount to be set aside each year for such fund be reduced. Where debentures are payable in equal payments of blended principal with interest, they may recommend that they be converted into debentures whereby the principal, or at least the balance of the principal outstanding may be payable at the end of a certain term of years, and that only the interest shall be required to be paid in the meantime. The commissioners have also power to recommend, if deemed advisable, the issue of new debentures to take the place of existing debentures or securities, or they may recommend the renewing of existing debentures.

Consent of Bondholders

Every recommendation made by the commissioners shall become effective and binding upon receiving the consent of the holders of three-fifths in value of the bonded indebtedness of the municipality and upon the recommendations being approved by the Lieutenant-Governor-in-council. After such approval has been given, the municipality must carry out the provisions of such recommendation. If a recommendation provides for the issuing of new debentures, it is in order for such debentures to be issued forthwith by the municipality and such debentures shall be valid in every way notwithstanding any statutory requirement, restriction or limitation which would have been applicable except for the provisions of the said act.

VICTORIA TAX SALE

Properties in Arrears for 1913 and 1914 Go to Hammer

Last week properties in the City of Victoria, B.C., on which taxes were owing for the year 1913 and 1914, were auctioned off to the highest bidder. Up to the last minute large numbers of ratepayers, whose taxes were in arrears, came to the City Hall to take advantage of the City Relief Act, No. 2, the provisions of which allow for the payment of taxes by instalments. The War Relief Act was also sought by many as a refuge at the last minute.

VIEWS ON NEXT DOMINION LOAN ARE EXPRESSED

Continued from page 12

drain out of the country will be over, and we can arrange with England to have the surplus paid in cash and securities, which would either go direct from England to the United States or through Canada, and thus offset the unfavorable trade balance between Canada and the States, and restore the equilibrium.

"If the unfavorable exchange is merely temporary, it will be adjusted soon by ordinary commercial means; if it is permanent, a loan selling in the States will not cure it, and the re-payment would go against us in the end. This payment to the States from our commercial balance of trade with Europe would extend to securities given us from Roumania or Greece or any other countries with whom we may establish credits; these securities could be handed over to the States, bonds or notes, or whatever form they take. Moreover, when we place the loan in Canada we have the advantage of the heavy payments on interest resting with our own people and going into circulation again throughout this country.

For 5 or 10 Years Only

"Then surely the loan should take the form of a short term issue, either five or ten-year, or a plan giving an alternative of one or the other, to suit the wishes of the investor. In the case of the last loan, the Victory loan of 1918, the overwhelming portion was taken up in the long term issue. If we make the new loan for a five-year term, we will have passed over the trying period of the next two or three years ,and we should have reached a period of prosperity again, when we could renew the loan at the lower rate of interest that in all probability would be prevailing at that time. If, on the other hand, we made it for a long term we would be overlapping to a great extent the maturing of the other loans, and this would be hurtful when an attempt was being made to renew this year's issue. At the end of the five or ten years, however, we could re-issue at the rate of interest then common, and renew so that we would pass beyond the maturity of the existing loans of 1917 and 1918.

How Exemption Appeals to Poor Man

"Probably the most of us have not yet reached the conclusion as to whether the issue this year should be tax exempt or not. Is it not, however, equally important to the man with a small income, that is from $1,000 to $6,000 that this bond be exempt from taxation, as for the large capitalist?

1. He will have no taxes to pay himself, and 2. He is assured that exemption will lead the bonds to a premium, or at least hold the value at par. Both of these arguments appealed to the average investor during the campaign throughout the Province the last two years. The rise in the value of the bond in the face of taxation of other securities would add of course to its value to himself in case he required to dispose of it, and there are not many who have not some idea that taxation will be made more severe and at last reach their own small incomes, or that their own wordly goods may so increase as to raise them to the class that must pay taxation on income. In either case the tax exempt bond carries with it a powerful argument to the investor of small means, as well as to the large capitalist.

"As to the interest rate that the bonds should bear: should not the lower rate that prevails for municipal issues be recognized by the Government? The Province of New Brunswick secured a loan of $1,000,000 at 5.03%, and the Province of Ontario in its last sale fell below 5%. Suppose the new Government issue were offered at 5¼% yield, without tax exemption, or 5% and tax exempt."

Money By-laws

Those investors who wish to keep in touch with the municipal bond market will find this department useful. It aims to be accurate and convenient. THE FINANCIAL POST makes a specialty of municipal bond news. Municipalities will find it to their advantage to send in direct news of contemplated bond issues.

Tenders Wanted

June 20, City and County of St. John, N.B.—$100,000, 5 per cent., 20-year hospital debentures of the municipality of the City and County of St. John.—James King Kelley, County Secretary, St. John, N.B.

June 13, St. Catharines.—$100,000, 5½ per cent., 10-year debentures of the public school purposes.—Stuart K. Watt, City Treasurer, St. Catharines. (See announcement, page 9.)

June 9, Halifax County.—$28,500, 5½ per cent., 10-year debentures of the County of Halifax.—Parker Archibald, Municipal Treasurer, County Court House, Halifax, N.S.

June 9, Calgary.—$1,500,000 6 per cent., 5-year notes of the city of Calgary. (See particulars in advertisement, page —).

June 13, Guelph. — $68,000 5½ per cent., 30-instalment public school and $50,000, 5½ per cent., 15-year sinking fund debentures.— T. J. Moore, City Clerk, Guelph. (See announcement, page 7.)

June 9, Tilbury East Township.—$11,274.40 in 6½ per cent., instalment debentures due 1919-1923 for local improvements.

June 12, L'Orignal. — $16,000, 6 per cent., 20-instalment debentures of the village of L'Orignal.

June 21, Grimsby North Township.—$5,000, 6 per cent., 10-instalment debentures of the township of Grimsby North.

July 3, Montreal.—$624,000, 4½ per cent., debentures of the city of Montreal, due 1954. (See announcement, page 6.)

Lochiel Township.—$11,975, 6 per cent., 10-instalment debentures of the township of Lochiel. (No date set).

By-laws Passed or Defeated

Welland.—$3,370 for construction of sewers; $4,171 for sidewalks, passed by city council, May 20.

Ottawa.—$4,000 grant to Y.M.C.A. Red Shield drive, passed by council, May 30.

Bowmanville.—$17,500 aid to Canada Scale & Slicer Co., Limited, passed by ratepayers on June 3, 356 to 58.

Parry Sound.—$165,500 in 6 per cent., 30-instalment debentures for extending municipal hydro-electric plant, and building bridge, passed by ratepayers on June 2, 315 to 57.

North Bay.—$21,000 to improve pump house and extend water mains; $9,500 for sidewalks; passed by council May 19. $5,500 for sewers given first two readings and referred to town solicitor.

Goderich.—$10,861 in 6 per cent., 20-instalment debentures to pay for certain sewer construction work, passed by council, May 16.

By-laws to be Voted on

June 16, Newmarket.—$40,000 for the construction of a main sewer and disposal plant.

June 9, Camrose, Alta.—$17,000 to finance the purchase of new machinery for electric light plant; $8,000 to improve the exhibition grounds.

June 6, Silver Creek, R.M., Man.—$5,000 in 6 per cent., 10-instalment debentures to provide for public hall in village of Angusville.

June 19, Caledonia.—$20,000 in 6 per cent., 20-instalment debentures for road-building purposes.

Debenture Notes

Sarnia.—The citizens of Sarnia will be asked in the near future to vote on a $350,000 by-law for the purchase of a site, erection and equipment of a new Collegiate and Technical school.

Rosetown, Sask.—By-laws for $10,000 to drill and equip a deep well and to purchase grader have been given two readings and submitted to the local Government Board.

Stratford.—At the regular meeting of the Board of Works on May 27, it was decided to recommend to the city council that a by-law be submitted to the ratepayers at the next election for the resurfacing of the asphalt block pavement in the city at an estimated cost of $75,000.

Sarnia.—Local citizens may soon have the opportunity of purchasing debentures of the city of Sarnia. At last week's session of the city council the finance committee were empowered to advertise for applications for the sale of debentures locally and if the response is sufficient to warrant further action, debentures will be printed and arrangements completed for their sale in this city. Their sale will entail a great deal of additional clerical work in the treasurer's office, and the committee deemed it advisable to secure some idea of the amount that could be disposed of in this city before carrying out the scheme. It is probable that they will be issued from $100 up.

Sault Ste. Marie.—By the passing of by-law 1029, the city will borrow $150,000 from the Ontario Government to be used as loans for the erection of houses under the Housing Act. The city will in turn issue a like amount of $1,000 twenty-year bonds at 5 per cent. which will be left with the Provincial treasurer as security.

London.—Although the finance committee has been empowered to advertise city debenture issues for sale locally no action is being taken yet until it can be ascertained just what amount can be disposed of and whether it would justify the extra amount of work to the treasurer's office. The debentures would be issued from $100 up if action is taken.

Penticton.—It is expected that ratepayers will be asked to vote on a by-law to raise $75,000 by debentures for improvement and extension of the electric light system. At the council meeting on May 26, a communication was received from a Vancouver bond house asking if the issue could be bought privately. However, the council decided to decline to enter into any private arrangements but to call for bids for any issue that might be floated.

BOND SALES

$5,000 Ames-Holden at 90; $1,000 Can. Car at 97; $13,666 Can. Cement at 101 to 100½; $1,000 Cons. Rubber at 96; $17,000 Dom. Iron at 89; $3,000 Dom. Textile "C" at 100; $500 Elect. Development at 91½; $8,200 Montreal (1923) at 102 to 101; $500 Montreal (1923) at 101¼; $3,400 Montreal Trams. debs. at 74; $1,000 Montreal Power at 90; $2,000 Nat. Breweries at 100; $2,500 Penmans at 92¾; $17,500 Quebec Rly. at 67 to 66¾; $500 Sher-Williams at 99½; $1,000 Steel of Can. at 99½; $7,500 Wayagamack at 88; $212,000 Victory Loan (1922) at 101⅛ to 100½; $507,450 (1923) at 101⅜ to 100½; $109,300 (1927) at 103⅜ to 102; $1,034,600 (1933) at 105½ to 104⅜; $74,900 (1937) at 106¾ to 105¾; $53,600 War Loan (1925) at 99½ to 98⅛; $41,400 (1931) at 100⅛ to 98½; $117,500 (1937) at 101 to 99¼.

Weekly Record of Government and Municipal Bond Sales

Date	Place and Purpose	Purchaser	Rate	Term	Amount	Price	Basis
May 31	Barton Township	A. E. Ames & Co.	5½%	20-ins.	$55,000	101.83	5.30%
June 2	Renfrew County	A. E. Ames & Co.	6%	5-10 ins.	32,000	102.35	5.37%
June 2	Dorion, P.Q.	Beausoleil Limited	5½%	25-ser.	66,500	97.92	......
June 3	Point Grey, B.C.	A. E. Ames & Co.	5%	1953	32,000	92.22	5.87%
			5½%	1959	82,500	92.22	5.87%
June 4	Ontario County	A. E. Ames & Co.	5½%	10-yr.	10,000	100.87	.....
June 5	Manitoba School Districts	H. J. Birket & Co.	7%	15-ins.	7,000	.....	.....
June 5	Carleton County	MacNeill, Graham & Co.	5½%	10-ins.	40,000	101.92	5.28%

Timely suggestions for the reinvestment of Interest and Dividends payable JUNE FIRST

For those desiring long term bonds at attractive yields,

We recommend the following:

		%	Due	Yield
$100,000	United Kingdom of Great Britain and Ireland	5½	1937	5.20
100,000	Province of Saskatchewan	5	1939	5.25
100,000	Government of Newfoundland	5½	1939	5.30
100,000	Province of British Columbia	5½	1939	5.30
71,000	Town of Eastview, Ontario	5½	1920-49	5.50
Victory Loan	All Maturities	at market.		

For those desiring shorter maturities and higher yield,

We recommend the following:

		%	Due	Yield
$30,000	Fraser Companies, Limited	6	1923	6.40
20,000	Fraser Companies, Limited	6	1924	6.40
15,000	Montreal Tramways & Power Co., Limited	6½	1924	6.25

Full particulars on request.

W. A. MACKENZIE & COMPANY
TORONTO, CANADA

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TORONTO GENERAL TRUSTS CORPORATION
Established 1882
The Oldest Trust Company in Canada

Capital Paid Up	$ 1,500,000
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Assets exceed	$90,000,000

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is to administer Estates, and we have the necessary experience and staff to do it efficiently. If you have appointed a friend as your Executor, we would suggest that you make a Codicil to your will and name this Company as Managing Executor to act with him. This will relieve your friend of the many details connected with the administration of your Estate and will insure the strict observance of your wishes.

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WE OWN AND OFFER:
$15,000
CITY OF HULL, P.Q.
5½% Debentures. Due May 1st, 1922
Price: Par (100) and accrued interest.
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The Sun Life Assurance Company of Canada, with over $340,000,000 of business in force, has all the advantages that size can bring to a life company.

With assets of over $97,000,000 and surplus of over $8,000,000 it has decided strength and safety.

Its policy, conditions and dividend record have earned for it an enviable reputation for liberality, while its record for fair dealing is unexcelled.

For information as to contracts, communicate with the nearest Division office, or with the Company's Head Office in Montreal.

SUN LIFE ASSURANCE COMPANY OF CANADA
HEAD OFFICE—MONTREAL
T. B. MACAULAY, President

BRITISH COLONIAL
FIRE INSURANCE COMPANY
MONTREAL

Authorized Capital - -	$2,000,000.00
Subscribed Capital - -	1,000,000.00
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INVEST YOUR SAVINGS
In a $5\frac{1}{2}$% DEBENTURE of The Great West Permanent Loan Co.
SECURITY

Paid-up Capital	$2,412,578.81
Reserves	964,459.39
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REAL ESTATE AND INSURANCE

PROGRESS MADE BY EAGLE, STAR, AND B. DOMINIONS

Large Increases in Both the Fire and Life Departments

MARINE INCOME LESS

Balance Sheet Shows That the Assets of the Company Enjoyed a Substantial Increase in 1918

Marked growth in the fire and life departments and satisfactory progress in the marine department are shown by the 1918 accounts of the Eagle, Star and British Dominion Insurance Company, Ltd., whose annual meeting took place at the general offices in London on May 1. Premiums, less reinsurances, in the fire department amounted to £909,241 2s. 9d. for the year, comparing with £493,043 5s. 10d. for 1917. Claims paid and outstanding after the reduction of reinsurances were £341,753 10s. 6d., as against £225,449 7s. 1d. Commissions and brokerage showed an increase from £73,566 1s. 2d. to £169,702 0s. 6d.; expenses of management, etc., were up from £123,029 14s. 11d. to £189,650 10s. 8d., while the amount of the fire and general insurance fund shows a substantial gain from £251,905 9s. 0d. to £526,625 18s. 1d. Of the latter £363,696 9s. 0d. represents the reserve for unexpired risks, being 40 per cent. of the premium income, and £162,929 9s. 1d. additional reserve.

Life Insurance

In the life insurance and annuity department there was received in premiums £983,466 13s. 1d., an increase of about £55,000; for annuities £63,845 12s. 9d., an increase of over £20,000, and from interest, rents and dividends £398,555 7s. 7d., an increase of £22,000. On the other hand, death claims took £533,124 3s. 4d., being hardly £5,000 more than 1917, while maturities only amounted to £333,818 13s. 0d.. as against £345,825 3s. 2d. the previous year. Surrenders at £52,265 18s. 2d. were £8,000 less. There were marked economies in commissions and expenses of management, while the sum of £681,750 5s. 0d. was written off assets. The net result of the year's business was to increase the amount of life assurance and annuity fund from £10,064,859 to £12,582,679.

Marine Department

The marine revenue account showed receipts from premiums, less reinsurances and returns, of £1,675,908 4s. 0d., comparing with £1,909,792 0s. 1d. in 1917. On the other hand, claims, less recoveries and salvages, amounted to £1,104,854 4s. 8d., as against £1,287,050 2s. 10d. The expenses of management including income tax and provision for excess profits duty, totalled £353,154 19s. 9d., being more than twice the corresponding figure for 1917. Funds at the end of the year amounted to £1,486,594 15s. 9d., compared with £1,191,427 7s. 7d. at the beginning of the year.

Assets are shown in the combined balance sheet to amount to £16,703,468 15s. 9d., an increase for the year of over £3,000,000. Investments stand at £1,737,553 18s. 5d., as against £1,285,294 10s. 6d. The life assurance balance sheet shows that the assets of that department amount to £13,672,176 2s. 0d., of which £1,289,920 10s. 2d. represents mortgages on property within the United Kingdom, and £3,858,855 10s. 10d. British Government securities.

BUILDING BOOM COMING

Deficiency of Housing in United States Will Cause Activity

A large deficiency of housing throughout the United States, gives promise of a steady growth in building construction, which may become a boom, according to J. S. Bache & Co., of New York, who thus refers to the situation in a recent market letter:

"A recent estimate of the United States Department of Labor, for instance, shows that in the North Central states there is a building deficiency of $1,511,000,000, and a recent survey of building conditions in the North Atlantic states, made by the same department, places the deficiency in that district at $1,200,000,000. This estimate was arrived at by a survey of the building permits issued in the principal cities in each state in pre-war years and during the war.

"The Department of Labor states that the current year is likely to prove one of unprecedented building activity, and that their reports on building permits and contracts let, indicate that building construction work the country over is rapidly getting back to pre-war figures. They also estimate that the new normal will be far ahead of pre-war figures.

"The borough superintendents of Greater New York report that building in the last four months has been on a larger scale than for the corresponding period of the last five or six years. In the Borough of Brooklyn it is 100 per cent. greater than in 1918. According to these reports, building is speedily reaching pre-war proportions."

WHEN MILLIONS COUNT FOR LITTLE

Estate of a Multi-Millionaire Gets Into Difficulties on Account of Succession Duties

Every once in a while there appears in the papers a story that carries a striking lesson, remarks the "National Underwriter." This recently came to light in the application to sell property belonging to the late John T. Milliken, of St. Louis; whose estate is estimated at $20,000,000. The point of interest is the fact that there was not sufficient money to pay immediate obligations.

Here was a man worth $20,000.000, yet he has not enough liquid assets to meet current needs. A man of his great wealth probably poohooed life insurance because he felt that he could make more money by creating a different kind of an estate. Yet his great estate, or at least part of it, will be sacrificed because the cash is lacking to meet the immediate demands. Mr. Milliken is said not to have been interested in life insurance. He spent vast energy and thought in building up his tremendous fortune, and yet, at the critical time, his estate needs the cash to save the property.

There are inheritance taxes of $2,000,000 to meet. Mr. Milliken could easily have carried sufficient life insurance to satisfy the demands that would be made on his estate in a short time. The St. Louis "Republic" carried the following story regarding the predicament in which the estate found itself:

An application to the probate court to sell property belonging to the late John T. Milliken, millionaire, chemical manufacturer, oil and grain dealer, whose estate is estimated at $20,000,000, yesterday disclosed that there is not sufficient money on hand to pay immediate obligations, including expenses of his last illness and funeral and the cost of administration.

The application was made by John G. Lonsdale, president of the National Bank of Commerce, and Dr. H. W. Loeb, executors of Milliken's estate. The application recites that Milliken, at the time of his death, was indebted in various amounts, secured by pledges of stocks, bonds and other securities.

He also owed, it is asserted, personal bills aggregating a large amount, in addition to the expenses of his last illness and funeral and obligations of a preferred class, which must be paid first. The application also states he left a comparatively small amount of cash, which is insufficient to pay the claims and meet the administrative expenses. Permission was asked to sell at private sale stocks, bonds and other securities to meet the demands.

INCORRECT FIGURES WERE PUBLISHED

Travelers' Indemnity Co.'s Boiler Insurance Losses in 1918 Were Quite Light

THE FINANCIAL POST'S attention has been directed by S. Carlton, registrar of the Travelers' Indemnity Company, Montreal, to the exhibit of steam boiler insurance in Canada for the year 1918, as contained in the Special Insurance Section, published on April 12. Mr. Carlton states that the figures of premium income and losses attributed therein to the Travelers' Indemnity Company are incorrect and that their publication in THE FINANCIAL POST has given rise to severe criticism on the part of several clients as to the quality of their inspection service.

As a matter of fact the company's premiums income for 1918 from steam boiler insurance written in Canada was $34,986.24. Net claims paid during the year in Canada amounted to only $1,034.90, of which amount $500.71 was paid for claims incurred the previous year. Unadjusted claims as of December 31, 1918, including estimates of all losses occurring prior to the end of the year, were $262. Expenditure in Canada during 1918 for inspections and surveys amounted to $17,296.10, while losses on risks located in the Province of Ontario for the year only amounted to $157.25.

In the table appearing in the April 12 issue of THE FINANCIAL POST which was furnished by the Department of Insurance, Ottawa, the company's losses were placed at $34,976, whereas during the past five years total losses paid in Canada were only $2,488. In justice to the Travelers' Indemnity Company, THE FINANCIAL POST is glad to make the foregoing corrections.

RESIDENCE SPACE IN BIG REQUEST IN SASKATOON

Quite a Demand for Vacant City Property First Time in Years

BUILDING IN CALGARY

Greater Activity in Building Lines in Alberta City Than There Has Been for Very Many Years

A report on real estate conditions in Saskatoon is supplied by Willoughby-Sumner, Limited, who state that—

"Rents in Saskatoon have been getting steadily stronger. All available space is occupied with very few exceptions. The greatest demand is for warehouse property and dwellings. A number of new warehouses have been erected recently, and a large number of new dwellings have been built this spring, probably more than have been erected in the last four years. In spite of this the demand for residence space is still very heavy. Business blocks were occupied largely during the period of depression as residences, and with the demand for office space which is now reviving, tenants now living in the blocks will have to find houses. It is altogether likely that some five hundred new houses will be required, and that these will be built at once in spite of the high cost of materials and labor.

"There has been quite a demand for vacant city property for the first time in many years, and a very considerable number of sales have been made. These include central lots for business purposes, as well as residence properties. Many owners of properties have expressed their intention of building upon them as soon as building costs are more reasonable.

"With reference to farmlands, we may say that the demand has been quite heavy, and values have been increasing for some time. A large number of enquiries are being received from American farming centres, and this, added to a strong local demand from returned soldiers and men who are already farming and wish to increase their holdings, will likely have a still further effect upon values."

Situation in Calgary

Writing from Calgary to THE FINANCIAL POST, F. W. Crandall gives the following views on the building and general business situation there:—

"Calgary seems to be starting on a building propaganda, especially bungalows and other classes of residences. There is greater activity in these lines than there has been for very many years. The increase in the rents and the scarcity of desirable houses makes this almost imperative. Rents have jumped on an average of from 25 per cent to 35 per cent over last year. There are also quite a number of good-sized building operations going on, including a hospital costing over $500,000, grandstand and improvements at our fair grounds $350,000, besides several theatres and garages costing from $25,000 to $200,000 each. Unless the strike which is on cripples these industries, we look forward to a very good business season in Calgary during 1919.

"All lines of business seems to be very prosperous, but I have heard some complaint on the part of some of the wholesale houses that the country orders were rather lighter than they were expected to be, but this no doubt will be changed when crop conditions have so far advanced as to assure a good harvest. The extremely high cost of labor, as well as various materials entering into construction and building will no doubt curtail this to a certain extent, but altogether there seems to be a very optimistic spirit all over the West.

"The soldier settlement question has engaged the attention of the very best minds and is yet a matter unsolved. Just what will be the final outcome, no one seems to know. There is a very strong feeling that the development in the Peace River district will be very great this year, especially with stock men who are finding their feeding grounds slipping away from them in this district and in order to keep on with their business new fields for both pasturage during the summer and wintering of their stock will have to be found, and the Peace River country seems to be the only Mecca for this great need."

OTTAWA LAND SOLD

Block of 50 Acres Brings in a Total of About $140,000

A block of land, extending from Wellington Street South across the Britannia railway tracks to the G.T.R. tracks in Ottawa and covering about 50 acres, was auctioned off by the Ottawa Land Association last Saturday afternoon. There were 500 lots involved and the sale was the largest of its kind ever conducted in Ottawa. Some lots sold as low as $20, while the highest price paid was $900. In all $140,000 was realized, or an average of $248 per lot. The land was owned by Ahearn & Soper.

The old Sun Life building on James Street, Hamilton, which was vacated by the Sun Life Assurance Company when it took over the Federal Life, has been sold to W. H. Magill, acting for an out-of-town syndicate. The price paid is reported to have been slightly under $100,000.

Henry Bowles, proprietor of Bowles Lunch, Toronto, has bought the property just east of his King Street lunch room. The property, which has a frontage of 26 feet by a depth of 100 feet, was purchased for $165,000 from the estate of the late Sarah Durand and formed a part of the property owned by her father, Lardner Bostwick.

CANADIAN ORDER OF CHOSEN FRIENDS

The Order furnishes life insurance to members in accordance with the Standard of the Government of Ontario. Sick and funeral benefits are also given if desired.

No charters are granted to Local Councils outside of Canada. Being confined to this healthful Northern Zone, the death rate is small and rates proportionately low. The Order has already paid over five million dollars in death and disability claims, and over five hundred thousand dollars in sick and funeral benefits.

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W. F. Campbell, Grand Organizer. W. H. Woods, M.D., Grand Medical Ex.
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For the well groomed man
TEXEND BRACES
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We will be glad to hear from any Industrial Company having a Bond Issue in prospect.

United Financial Corporation Limited
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Branches: Toronto, Winnipeg, London, Eng.

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FACTORY PROPERTY

FOR SALE

Under the Authority of the Imperial Munitions Board We offer for Sale the Property of the

BRITISH MUNITIONS CO.

MONTREAL

Land—Approximately 1,110,000 square feet. An extensive railway siding on the property connects with the main line of the Grand Trunk Railway a few hundred yards away.

Buildings—The buildings erected in 1916 and 1917, include separate administration building and one-story brick and steel factory building with saw-tooth roof, having a floor area of 280,000 square feet.

Full particulars and illustrated prospectus will be furnished to those interested. Inspection of property may be arranged with the undersigned.

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A TRUST COMPANY FOR THE PUBLIC'S SERVICE

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No finer paper could be desired for Stock Certificates than is made right here in Canada. It has the weight, the surface, the crackle, the feel and the CHARACTER.

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Canadian Pulp and Paper Association, 304 Shaughnessy Bldg., Montreal.

PRODUCTION OF ONTARIO MINES WAS REDUCED

For First Quarter of the Year Value of Output Declined

EFFECT OF PEACE

Both Gold and Silver Production Fell Off, While Nickel and Copper Output Very Much Less

According to the report of the Ontario Bureau of Mines for the first three months of the year, the after-effects of the war are beginning to make themselves felt. Nickel and copper production show a marked decline, both in quantity and value. This situation, however, is expected to improve. Silver production has decreased by over a million ounces, but the effect in valuation is not so great owing to the high price of the metal. Cobalt and nickel oxides, metallic nickel and lead show an increase in value over the 1918 figures.

Figures issued by the Bureau for the quarter are as follows:

		Quantity 1918	Quantity 1919	Value $. 1918	Value $. 1919
Gold	ounces	113,387	98,188	2,265,521	2,026,536
Silver	"	4,114,856	3,105,002	3,740,843	3,152,700
Copper, blister	pounds	....	1,724,631	....	270,493
*Copper in matte	tons	4,727	2,674	1,748,990	588,280
*Nickel in matte	"	9,677	5,610	5,806,200	2,692,800
Iron ore exported	"	501	4,840	2,638	41,118
†Iron, pig	"	17,404	14,170	461,940	399,963
Cobalt, metallic	pounds	37,545	13,594	75,625	20,889
Cobalt, oxide	"	81,760	127,954	130,486	186,036
Nickel, oxide	"	....	5,070	....	1,421
Nickel, metallic	"	44,154	1,830,569	17,662	756,062
Other Nickel and Cobalt compounds	"	143,381	31,370	18,386	11,497
Lead, pig	"	60,283	567,716	5,066	34,684
Molybdenite, concentrates	"	17,410	....	24,548	....
Total				14,297,905	10,182,479

*Copper in matte was valued at 18½ cents and nickel at 30 cents per pound in 1918. For 1919 the values have been placed at 11 and 24 cents per pound respectively.

°Including briquettes. Total shipments of iron ore to both foreign and domestic points in 1919 were 32,376 tons valued at $146,741.

†Total output of pig iron was 170,325 tons worth $4,807,614. Figures in the table represent proportional product from Ontario ore.

Gold

Although the gold output shows a decrease of 24,104 ounces as compared with the first quarter of 1918, the outlook is such that a substantial increase may be expected for the full year. With the Dome mill now in operation at Porcupine, and the Kirkland Lake and Tough-Oakes mills at Kirkland Lake, an improved showing is anticipated for the half-year report. A great deal of interest is being shown in the gold fields of Northern Ontario, and much prospecting and development of new properties is going on. During the period, with the exception of a few days at the end of March, only two mills were operating at Porcupine, namely, the Hollinger and McIntyre. At Kirkland Lake the Lake Shore and Teck-Hughes were the only mills at work. For the quarter, 206,603 tons of ore were milled, as compared with 262,577 tons in 1918. Of the total, 94.5 per cent. was milled at Porcupine. In addition, 18,620 ounces of silver, worth $18,677, were recovered from gold ores.

Silver

Silver from Cobalt and outlying silver camps was marketed to the extent of 3,080,104 ounces. In addition, 24,878 ounces were recovered from the refining of gold ores and nickel-copper matte. Mines producing over one-quarter million ounces are given in order: Nipissing, Mining Corporation of Canada, Kerr Lake, McKinley-Darragh-Savage. Of these, Nipissing marketed over one million ounces. Some very rich ore, running over 8,000 ounces to the ton, has been taken from the Foster mine, under lease to Campbell and Fairbairn. The price of the metal remained stationary at $1.01⅛ during the three months, although since May 5th export restrictions have been removed by the Federal Reserve Board of the United States, and the price has advanced.

Refineries

Southern Ontario refineries treated 1,257 tons of ore and concentrates, and 919 tons of residues, recovering therefrom 1,354,441 ounces of silver, in addition to the cobalt and nickel compounds as enumerated in the table. Although 170,478 lbs. of metallic nickel were produced, only 16,284 lbs. were marketed.

The market for stellite, used for high speed cutting tools, has fallen off since the war ended. New uses, however, are being found and a market developed for this product, which is an alloy of the metal cobalt.

Nickel-Copper

There were 229,822 tons of nickel-copper ore raised and 226,954 tons smelted, as compared with 354,689 and 325,386, respectively, for the first quarter of 1918. The cessation of hostilities immediately resulted in a decreased nickel demand, and the period of reconstruction has not yet provided a market sufficiently large to absorb the war basis output. In consequence, there has been a great curtailment in production, both by the International and Mond companies. The prices also have dropped appreciably, notably in the case of copper. Out of a total output of 12,529 tons of Bessemer matte, 2,960 tons were refined at the Port Colborne plant of the International Nickel Company of Canada, the products being metallic nickel, blister copper, silver and gold. The last two mentioned are present in small proportion. Heretofore the only metallic nickel recovered in Ontario was the small quantity obtained by the several refineries which treat the silver-cobalt-nickel ores of Cobalt. Since the Port Colborne commenced operations in July of last year, metallic nickel has been produced within the province from nickel-copper ores.

Iron Ore and Pig Iron

Iron ore shipments include 4,840 short tons from Moose Mountain, Ltd., and the Poe Mining Company to points outside the Province, while 27,536 tons from the Magpie mine were shipped to Sault Ste. Marie for domestic consumption.

Iron ore smelted in the period by six companies operating 10 blast furnaces was 362,656 tons, of which 332,479 tons were imported from the United States. The total output of pig iron was 170,325 tons, valued at $4,807,614. Only the proportion of pig iron produced from Ontario ore is included in the table, namely, 8.32 per cent. of the total. Steel produced by the Algoma Steel Corporation and the Steel Company of Canada totalled 194,505 tons, worth $5,912,459. In addition there was an output at the Sault of 11,631 tons of spiegel and 107,635 tons of coke.

A new producer of pig iron this year is the Parry Sound Iron Co, Ltd.; also the Midland Iron and Steel Company, Ltd., which started operations in the fall of 1918.

CANADIAN KIRKLAND

Shareholders of the Canadian Kirkland Gold Mines, at a meeting held in Haileybury, have ratified an agreement recently entered into with Sir John Carson, representing the Crown Reserve Mining Company. A by-law granting an option on 800,000 shares of Canadian Kirkland at 25 cents per share was also passed.

In the meantime exploration work is proceeding at the mine, a substantial width of commercial ore having already been opened up.

PETERSON LAKE

The annual meeting of the Peterson Lake Silver Cobalt Mining Co. was held in Toronto on Monday, when vice-president, S. G. Forst, levelled charges against the management. In the end the directors' report was adopted with the understanding that the new directors were to have their attention called to Mr. Forst's statements, and take what action may be necessary. By-laws were passed enlarging the Board of Directors from five to nine, and authorizing the issue of remaining treasury common shares at a discount of not more than ninety per cent. At the adjourned meeting on Tuesday the old board, together with two new directors, was re-elected.

McKINLEY-DARRAGH

Arrangements are to be made at the McKinley-Darragh mine to carry out an exploration program in that area comprising the southeastern part of the property, which lies adjacent to the Nipissing, and not far removed from the section where the Nipissing has encountered such satisfactory results in vein 109. Despite the fact that the flotation plant has been set in operation and is now treating sands at maximum capacity of 250 tons daily, the management has recently found it possible to decrease working forces about ten per cent. As a consequence, the overhead expense has been reduced to a minimum, and the margin of profit more satisfactory.

TOUGH OAKES

The aggressive development work carried on at the Tough-Oakes Gold Mines since the resumption of work a couple of months or so ago has resulted in the development of an ore reserve large enough to keep the mill running at capacity for several months. It is learned from interested parties that from six to eight months' ore has been developed, the new vein discovered during April, having added considerably to reserves. The management continues to concentrate effort on development, and the mill will not be set in operation until later in the summer.

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CANADIAN NATIONAL

The Merchants Bank of Canada

Proceedings of the Fifty-Sixth Annual Meeting Of Shareholders on June 4th, 1919.

The Fifty-sixth Annual Meeting of the Shareholders of The Merchants Bank of Canada was held Wednesday, June 4th, in the Board Room at the Bank's Head Office at Montreal. The meeting was called to order at 12 o'clock noon.

Among those in attendance were:—

Sir H. Montagu Allan, Mr. K. W. Blackwell, Mr. F. Orr Lewis, Mr. A. J. Dawes, Mr. F. Howard Wilson, Mr. Farquhar Robertson, Mr. Geo. L. Cains, Mr. Alfred B. Evans, Mr. E. F. Hebden, Lt.-Col. Jas. R. Moodie, Mr. Lorne C. Webster, and Messrs. A. Browning, John Patterson, R. Campbell Nelles, A. A. MacDougall, S. M. Baylis, J. E. Hayden, P. C. Elgee, W. B. Blackader, A. Haig Sims, D. Kinghorn, R. S. White, P. E. Bilkey, I. D. Johnston, D. C. Macarow, T. E. Merrett, J. D. G. Kippen, W. M. Ramsay, V. Harcourt, A. B. Patterson, R. H. Arkell, T. A. McKay, A. C. Fraser, W. G. Hinds, R. G. Sare, W. B. Harshaw, F. J. Shreve, G. Tansley, W. P. Lemesurier, J. Gillespie Muir, C. A. Harcourt, H. R. Little, H. B. Loucks, J. M. Kilbourn, W. B. Leitch.

On motion of Mr. K. W. Blackwell, the President, Sir H. Montagu Allan, was asked to take the chair.

Mr. J. M. Kilbourn was appointed Secretary of the meeting, and read the notice calling the meeting.

The minutes of the last annual meeting were taken as read.

The President, Sir H. Montagu Allan, then presented the Annual Report, as follows:

THE ANNUAL REPORT

I beg to submit on behalf of the Directors the Fifty-sixth Annual Statement of The Merchants Bank of Canada as at the close of business on the evening of the 30th April, 1919, together with a Statement of the Profits covering the relative period.

Notwithstanding ever-mounting operating costs, the net profit resulting from the year's business were $1,383,569.40, being an increase over last year of $146,888.44, a showing which, I believe, you will regard with satisfaction.

During the past year your Directors felt warranted in distributing an extra dividend of 1 per cent. and in placing the stock upon an 11 per cent. basis. No doubt their action in this respect will have your entire approval.

The financial position of the Bank as reflected in detail in the Balance Sheet before you, will meet, I am sure, with your full approbation.

Another Victory Loan last autumn was generously subscribed to by the Bank's clientele throughout the country, their total subscriptions reaching the very large sum of $45,810,400, of which but $4,333,800 was made up of conversions from previous issues. This left a net amount of $41,476,600 paid in cash through the six months' period and yet, despite this heavy withdrawal, our deposits for the year show the gratifying increase in total of $24,780,330, or 21.85 per cent. over last year's figures, the Savings Department receiving $15,958,008 of this gain.

Commercial Discounts have also grown apace, having increased $19,680,410 during the year, indicating that the earning power of the Bank has been well maintained and that we are, to the common good, lending our full support to the agricultural and other producing industries of the country. For, it may in truth be said, this important increase is made up of advances in one way and another towards assisting essentially productive industries throughout the Dominion.

An issue of $1,400,000 of new stock has been made, but as the allotment was to Shareholders of record at 30th April, the matter will fall for reference more appropriately at next year's meeting. Suffice it to say in the meantime that the new allotments are being satisfactorily taken up—a large proportion indeed, having already been paid for in full in advance of the instalment dates.

Since the signing of the Armistice on the 11th November last, we have opened numerous Branches and Sub-Branches at points carefully selected during the long period (ending with the Armistice), in which all the Banks maintained a strict embargo against branch extensions. These new fields of endeavor and profit are, in practically every case, realizing our expectations and while the relative initial expense is not inconsiderable, we have every reason to believe we shall be rewarded by amply profitable results in due course.

You will, I am sure, join with your Directors in extending to the members of the staff, one and all, a word of cordial appreciation for their loyal and efficient services, to which the measure of progress the Bank has enjoyed is in no small degree attributable.

During the course of the year death removed our esteemed colleague, Mr. Andrew A. Allan, and in his untimely end the Bank has suffered a heavy loss, deeply deplored by all connected with the institution. He was a man of sound judgment and high principles, whose advice was at all times as valued as he personally was esteemed and respected.

The vacant seat upon the Directorate has been filled by the appointment of Mr. Lorne C. Webster, a large shareholder in the Bank and a man of wide business experience, connected with many important commercial enterprises.

All the various offices of the Bank have been inspected during the past twelve months.

The Auditors' Certificate is appended.

All of which is respectfully submitted.

H. MONTAGU ALLAN,
President.

Statement of the Result of the Business of the Bank for the Year Ended 30th April, 1919

The Net Profits of the year, after payment of charges, rebate on discounts, interest on deposits, and making full provision for bad and doubtful debts, have amounted to		$1,383,569.40
The balance brought forward from 30th April, 1918, was		437,973.92
Making a total of		$1,821,543.32
This has been disposed of as follows:		
Dividend No. 124, at the rate of 10 per cent. per annum	$175,000.00	
Dividend No. 125, at the rate of 10 per cent. per annum	175,000.00	
Bonus 1 per cent. paid 6th January, 1919	70,000.00	
Dividend No. 126, at the rate of 11 per cent. per annum	192,500.00	
Dividend No. 127, at the rate of 11 per cent. per annum	192,500.00	
		$ 805,000.00
Government War Tax on Note Circulation		70,000.00
Written off Bank Premises Account		300,000.00
Contribution to Officers' Pension Fund		50,000.00
Contribution to Joint Campaign, Canadian Red Cross and Navy League		15,000.00
Contribution to Y.M.C.A. Military Service Fund		7,500.00
Balance carried forward		574,043.32
		$1,821,543.32

H. MONTAGU ALLAN,
President.

D. C. MACAROW,
General Manager.

Statement of Liabilities and Assets at 30th April, 1919

LIABILITIES

	1919	1918
1. To the Shareholders		
Capital Stock paid in	$ 7,000,000.00	$ 7,000,000.00
Reserve Fund	7,000,000.00	7,000,000.00
Dividends declared and unpaid	194,194.00	176,900.00
Balance of Profits as per Profit and Loss Account submitted herewith	574,043.32	437,973.92
	$ 14,768,237.32	$ 14,614,873.92
2. To the Public		
Notes of the Bank in Circulation	$ 13,316,033.00	$ 12,327,168.00
Deposits not bearing interest	43,552,214.61	34,886,747.83
Deposits bearing interest (including interest accrued to date of Statement)	91,904,993.37	75,946,985.48
Balances due to other Banks in Canada	2,614,696.64	1,400,941.75
Balances due to Banks and Banking Correspondents in the United Kingdom and foreign countries	105,076.96	1,161,976.79
Bills payable	....	....
Acceptances under Letters of Credit	464,153.05	598,851.20
Liabilities not included in the foregoing	....	....
	$166,725,404.95	$140,937,544.97

ASSETS

	1919	1918
Current Coin	$ 4,946,946.33	$ 4,890,061.36
Deposit in the Central Gold Reserves	7,000,000.00	6,000,000.00
Dominion Notes	8,405,602.50	5,912,092.50
Notes of other Banks	985,044.00	893,076.00
Cheques on other Banks	6,082,616.99	5,311,786.12
Balances due by other Banks in Canada	3,215.80	4,704.37
Balances due by Banks and Banking Correspondents in the United Kingdom	123,496.50	82,580.53
Balances due by Banks and Banking Correspondents elsewhere than in Canada and the United Kingdom	1,903,040.10	1,357,843.03
Dominion and Provincial Government Securities, not exceeding market value	6,005,573.65	5,435,464.66
Railway and other Bonds, Debentures and Stocks, not exceeding market value	4,119,705.32	4,060,204.70
Canadian Municipal Securities and British, Foreign and Colonial Public Securities other than Canadian	15,238,399.32	14,589,065.54
Call Loans in Canada on Bonds, Debentures and Stocks	5,134,690.71	5,223,953.88
Call Loans elsewhere than in Canada	2,801,857.72	3,906,648.93
	$ 62,750,188.94	$ 57,667,481.62
Current Loans and Discounts in Canada (less Rebate of Interest)	$ 95,874,426.04	$ 76,194,016.15
Current Loans and Discounts elsewhere than in Canada (less Rebate of Interest)	332,918.12	339,987.29
Liabilities of Customers under Letters of Credit as per contra	464,153.05	598,851.20
Real Estate other than bank premises	782,326.64	312,928.11
Overdue Debts, estimated loss provided for	386,973.56	272,226.60
Bank Premises at not more than cost (less amounts written off)	5,253,269.48	4,886,438.98
Deposit with the Minister for the purposes of the Circulation Fund	366,000.00	355,000.00
Other Assets not included in the foregoing	515,149.12	310,615.02
	$166,725,404.95	$140,937,544.97

H. MONTAGU ALLAN,
President.

D. C. MACAROW,
General Manager.

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF THE MERCHANTS BANK OF CANADA

In accordance with the provisions of Sub-sections 19 and 20 of Section 56 of the Bank Act, we report to the shareholders as follows:

We have examined the above Balance Sheet with the Books of Account and other records at the Chief Office of the Bank and with the signed returns from the Branches and Agencies and have checked the cash and verified the securities of the Bank at the Chief Office against the entries in regard thereto in the books of the Bank at 30th April, 1919, and at a different time during the year and found them to agree with such entries. We also attended at some of the Branches during the year and checked the cash and verified the securities held at the dates of our attendances and found them to agree with the entries in regard thereto in the books of the Bank.

We have obtained all the information and explanations we have required. In our opinion, the transactions of the Bank which have come under our notice have been within the powers of the Bank, and the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Bank's affairs, according to the best of our information and the explanations given to us, and as shown by the books of the Bank.

Montreal, 23rd May, 1919.

VIVIAN HARCOURT,
GORDON TANSLEY,
Auditors.
(of the firm of Deloitte, Plender, Griffiths & Co.)

THE PRESIDENT'S ADDRESS

In moving the adoption of the Report, the president, Sir H. Montagu Allan, who was received with applause, on his first appearance since his service overseas, gave a brief address.

"Gentlemen, I would like to say that I think the results of the year's business are very satisfactory to the Board, and I am confident that the shareholders will be of the same opinion. (Hear, hear.)

"You all know that the past four years have been a very trying period for us all, as throughout the world. During most of that time I have been on the other side of the Atlantic, and I am very glad on my return to see that the bank has been making such excellent progress. It has been a source of astonishment and gratification to myself to see how the deposits have kept up, notwithstanding the large withdrawals for various Government issues in connection with the war and the great growth of business generally.

"It is a truly marvellous achievement and speaks convincingly of this country's inherent strength and ready adaptability to changed and changing circumstances.

"I would like to take this opportunity of thanking Mr. Blackwell, the vice-president, for the courteous and able manner in which he has performed the duties of president and presided over the annual meetings during my absence, and the efficient manner in which he has conducted the business of the bank.

"You all know that this bank, in common with all other banks, has passed through a trying and anxious period during the past few years. During that time Mr. Blackwell, with the assistance of the board, has carried on the work in a splendid and efficient manner, and I am glad of this opportunity to voice the appreciation of the shareholders of his services. (Applause.)

"It gives me pleasure now to move, seconded by Mr. Blackwell, the adoption of the Annual Report."

MR. BLACKWELL.—"I take pleasure in seconding the motion for the adoption of the Annual Report. In doing so, I would like to add a few words as to my own personal feelings on hearing such kind words from Sir Montagu Allan as to my efforts during his absence. You all know that it is an unwritten law that men will stand by their friends, especially when they are in trouble, and we all know that Sir Montagu has suffered severely by this war. It was necessary for him to stay abroad for four years, and he has suffered personal bereavements, for which I owed him deep sympathy, in which I am sure you all joined. It was only natural and proper that I should shoulder his work to the best of my ability. I have only endeavored to do my duty to my co-directors and also to the bank.

"Later you will be told of the organization of The Bankers' Trust Company, and I hope every man in this room, both directors and shareholders, will do their utmost to support that institution, exerting their personal influence and own support, when, I am confident, it will be found a valuable source of useful business for the bank and also a valuable aid to those of you who put your estates in its charge. I have always felt that this bank should have control of a trust company working in its interests, and I am very much pleased and gratified that we have succeeded in getting it started." (Applause.)

There being no questions or discussion the Annual Report was unanimously adopted.

THE GENERAL MANAGER'S ADDRESS

The General Manager, Mr. D. C. Macarow, in addressing the meeting, said:

Mr. Macarow:—In the first place I would like to express, speaking on behalf of the Executive Officers of the Bank, indeed on behalf of the staff at large, our pleasure at having Sir Montagu Allan again amongst us and to extend to him our most cordial welcome.

In the mighty work overseas now happily satisfactorily and, let us hope, permanently concluded, Sir Montagu has, indeed, borne his share and it must be a proud thought to him, as it is a gratifying reflection to us, that in connection with that great work, his is a record of high and patriotic duty manfully embraced and efficiently carried through. (Applause).

My words, Sir Montagu, but express feelings sincerely entertained. Your welcome is one of unaffected cordiality.

The moment is opportune, I am sure you will agree, and I gladly take advantage of it, to pay a tribute to the Vice-President, Mr. Blackwell, who has filled the chair throughout the President's absence with such a measure of outstanding capacity. From the rich storehouse of his wide, varied and practical business experience he has given with an unstinted hand, and it is no empty conventionality to say that the measure of progress the Bank has enjoyed during his incumbency is due in no small degree to the benefit of his sound advice and the inspiration of his constructive courage. Withal, his courteous and considerate demeanor to everyone has made his a figure around the Executive Offices of the Bank as welcome as it is honored and respected. (Applause).

After the concise yet comprehensive references and explanations made by the President in his address, which you have just heard, any attempt on my part at amplification with respect to the outturn of the year's operations in the matter of profits, and to the general financial statement would, indeed, be superfluous and time-wasting.

I will, therefore, content myself by saying that I hope the situation as reflected by the figures given will be satisfactory to all and measure up in full degree to the expectations and wishes of everyone interested in the Bank's progress.

Last year, you may remember, I said that you might entertain with full confidence the comfortable assurance that the whole asset column represented dollar for dollar in actual value. I take pleasure in repeating that assurance this year—and with double emphasis.

May I be permitted to add a few brief and sketchy words of a general character and interest?

It is with feelings of intense relief that we now find ourselves gradually moving into peace times, leaving behind us that stressful period so darkened by the war's depressing shadows and under the dread pall of which we had become accustomed to live and to view things. But in this transition period we cannot fail to realize that with the readjustment come many difficult problems, financial and otherwise, to face and solve. This, however, is a country of well-nigh boundless potentialities and we can, I think, whatever be the perplexities of the moment, view the ultimate future with every measure of confidence.

Of the spirit and virility of the Canadian people, we have had abundant illustration during the past few years. That spirit has carried us through the difficulties of the war period; that spirit, I know, will enable us to meet the no less difficult and complex questions by which we are now confronted. Sanity and co-operative effort are all that are needed. Let reason reign.

Reference was made last year to the paramount necessity of keeping the wheels of industry uninterruptedly moving, and to the major importance, with that end in view, of developing along broad lines our export trade, to which, indeed, we must look in large measure for the carrying and eventual liquidation of our war indebtedness.

Much has been done during the twelve months in preparation for realizing upon the exportable surplus of this country's raw materials, foodstuffs and manufacturers, but as the development of a broad foreign trade is not a matter of a single year or even decade, it is to be hoped that having set our hand to the task the efforts already put forth will continue to be pushed forward with vigor and resourcefulness.

Canada's magnificent achievements during the war period have made this Dominion known the world over, presenting to us opportunities awaiting only development at our hands along far-sighted and progressive lines.

In this connection it may be pertinently added that a solidly-established mercantile marine of our own is of the greatest national importance, if not, indeed, an absolute essential, if we are to succeed in any large and permanent way in world trade. That this country will in course of time have its own ships in which to carry its own products to the markets of the world is a consummation devoutly to be wished and courageously striven for.

Without in any way attempting to touch upon matters having, perhaps, a more or less political aspect, may I be permitted to draw attention to the question of Imperial Preference and to express the keen feeling of interest and appreciation which we all must experience at the mother country's first step in the development of this far-reaching and all-important policy. Imperial preference and Inter-Imperial trade arrangements will, I hope and do verily believe, be the livest kind of issues by the time we again meet for the purpose of submitting and discussing another year's business.

You will be interested in knowing that according to our reports the condition of Canada's greatest industry, agriculture, is this year rich in promise, especially in the Western Provinces, where the crops have seldom, if ever before, got away to a better start.

We recently organized and put in motion The Bankers' Trust Company, which will operate to some extent as an auxiliary to the Bank. Such Companies, well managed, are excellent, both as conservers of old and creators of new business for the Bank with which they are associated, and we expect our Company, which opened its doors on the 1st of May, will prove a strong, conservative and useful ally. The want of such an affiliated Company has been felt in an increasing degree for some years past.

Just one further word as to that all-important asset which the Balance Sheet does not reveal—the staff: I cannot too strongly endorse the words of appreciation so fittingly expressed by the President and I have no hesitation in saying that in point of loyalty and efficiency the staff of this Bank is second to none.

For a long period prior to the signing of the Armistice and during demobilization thereafter, the staff of the Bank was reduced, indeed, to a veritable "thin red line," but while numerically weak, the spirit was there in full strength, and we were enabled as a result to conserve and develop our business in the notably satisfactory manner reflected by the comparative figures shown. (Applause).

So much for that section of the staff, who, for one reason or another, were rendered ineligible for military service. Theirs is a record which we recognize with appreciation and view with pride.

As to those who joined the colors, you will be interested in knowing that from a staff of 1,300 odd at the outbreak of war, enlistments numbered no less than 823, or roughly 63 per cent. of the whole, which must very nearly represent 100 per cent. of the eligibles. (Applause.)

Of those splendid young men, 73 made the supreme sacrifice, 87 were wounded, some more than once, and many received high decorations for valor and efficiency.

To the memory of those whose bodies sanctify the soil of France and Flanders, we can but offer the highest tribute of reverential respect.

To those incapacitated through wounds and otherwise, we are gladly endeavoring to render such assistance as lies within our power.

And to those eligible for re-entering the service of the Bank we are finding positions upon a scale of remuneration which provides against their suffering any hardship in a monetary sense by reason of having joined the colors. In other words, we are giving to each and every man the same salary as when he left, plus such increases as would have followed in the ordinary course had he remained.

To put it in a word, Gentlemen, we are proud of our staff, one and all, and I am sure you will agree with me that we have every reason to be proud of them. (Applause.)

On motion of Mr. D. Kinghorn, seconded by Mr. W. B. Blackader, Messrs. Vivian Harcourt and Gordon Tansley, of Deloitte, Plender, Griffiths & Co., were reappointed Auditors of the Bank.

INCREASE IN CAPITAL STOCK

It was moved by the President, seconded by the Vice-President—"That the Capital Stock of the Bank be, and is hereby increased from ten million dollars ($10,000,000) to fifteen million dollars ($15,000,000) by the creation of fifty thousand (50,000) new shares of the par value of one hundred dollars ($100.00) each."

It was explained by the President that there is no intention of issuing this Capital in the near future, but that it was thought possible to make timely provision well in advance of possible or probable requirements.

The resolution was unanimously adopted.

On motion of Mr. R. Campbell Nelles, seconded by Mr. A. Haig Sims, Messrs. John Patterson and Arthur Browning were, by unanimous vote, appointed scrutineers, and instructed to cast one ballot for the election of the following persons as Directors: Sir H. Montagu Allan, Mr. K. W. Blackwell, Mr. Thomas Long, Mr. F. Orr-Lewis, Hon. C. C. Ballantyne, Mr. A. J. Dawes, Mr. F. Howard Wilson, Mr. Farquhar Robertson, Mr. Geo. L. Cains, Mr. Alfred B. Evans, Mr. E. F. Hebden, Mr. T. Ahearn, Lt.-Col. Jas. R. Moodie, Mr. Lorne C. Webster.

The ballot having been cast, the directors as named, were declared to be elected.

The President—"Before we adjourn I would like to say a few words. As you know, I have been overseas four years. During that time there has been a change in the General Managership of the Bank. I have not hitherto had opportunity of saying anything to the Shareholders with regard to our new General Manager.

"I do not wish to say too much about him because the result of his work has been so good that to express my opinion of it might be regarded as unduly flattering, and I may pertinently add that in so far as I can ascertain, he has the full support of a loyal and efficient staff. As President of the Bank I may say that his work has given me and the Directors every satisfaction and confidence for the future of the Bank, and I am sure that you will all agree with me that in Mr. Macarow we have found a very efficient man as General Manager." (Applause.)

On motion of Messrs. John Patterson and S. M. Baylis, a vote of thanks was tendered the General Manager and Staff, which was briefly acknowledged by Mr. Macarow, who said that while he fully appreciated the kind, over-kind, references to himself, it was not affectation on his part to disclaim any measure of special credit for the progress shown; rather was it due to co-operative effort all along the line, extending from the Chairman of the Board to the junior clerk in the smallest office. The benefit of that intensive co-operation was recognized and acknowledged by none more than by himself.

Mr. Campbell Nelles—"Before we adjourn I would like to express the welcome of the Shareholders to the President, Sir H. Montagu Allan, on his return after four years' absence overseas. We all know why he was away, and we know of his splendid services in connection with the war, and we are all delighted to see him back in his old position at the head of this Bank." (Applause.)

This concluded the business of the meeting, which then adjourned.

At a subsequent special meeting of the Directors, Sir H. Montagu Allan was re-elected President and Mr K. W. Blackwell Vice-President.

CHANGES DURING THE WEEK

	Last May 29	Sales June 5	Ch'ge
Ames-Holden	36	43	+ 7
Asbestos, com.	63¾	74½	+10¾
Do., pref.	80	85	+ 5
B.C. Fish.	49	52½	+ 3½
Can. Cement, com.	67	69¼	+ 2¼
Can. Cottons, pref.	85	86	+ 1
Can. Foundries	*197	193	— 4
Can. Loco., com.	69¼	76	+ 6¾
Do., pref.	92½	94	+ 1½
Dom. Bridge	*123	113½	— 9½
Dom. Canners, com.	42	47	+ 5
Dom. Textile, com.	117	116	— 1
Dom. Steel Corp.	62	67½	+ 5½
Lyall Cons.	70	66¾	— 3½
Maple Leaf Mill, com.	165¼	169	+ 3¾
Monarch Knit., com.	*57	60	+ 3
N.S. Steel, com.	80	94½	+14½
Do., pref.	107	110	+ 3
Ogilvie Flour, com.	255	260	+ 5
Steel of Can., com.	65	69	+ 4
St. Law. Flour, com.	108	111½	+ 3½
Do., pref.	92½	95	+ 2½
Wabasso Cotton	85	88¼	+ 3¼
Can. Steamships, com.	49½	51¾	+ 2¼
Can. Pacific	*171¾	167½	— 4¼
Twin City	53	58	+ 5
Bell Telephone	125	115	—10
Brompton Pulp	62½	64¾	+ 2¼
Howard Smith, com.	70	72	+ 2
Do., pref.	*81¼	86½	+ 5¼
Laurentide Paper	224¾	223¾	— 1
Riordon Pulp, com.	130	128	— 2
Spanish River, pref.	105	103¾	— 1¼
Wayagamack	50	48	— 2

*Last previous sale.

May 15 May 23 Ch'ge